As of 11 a.m. ET **DJIA** 10188.47 ▲ 0.88% **FTSE 100** 5244.06 ▲ 1.48% **Nikkei 225** 10034.25 ▲ 0.21% **Shanghai Comp.** 3018.13 Closed **Hang Seng** 20268.69 Closed **Sensex** 16226.68 ▲ 1.17% **S&P/ASX 200** 4567.76 ▲ 0.49%

Domestic investors snap up trophy properties in China

THE PROPERTY REPORT 10

Obama's self-inflicted Dalai Lama dilemma

EDITORIAL & OPINION 13

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 118 (India facsimile Vol. 1 No. 179) * * ASIA Wednesday, February 17, 2010

DOWJONES A NEWS CORPORATION COMPANY

asia.WSJ.com

Vancouver victory: China defeats Russia in pairs figure skating

Reuters

Shen Xue, left, and Zhao Hongbo of China celebrate after learning they won the gold medal for their performance in pairs figure skating at the Winter Olympics in Vancouver. Russia or the Soviet Union had won gold in pairs at every Olympics since 1964. **Page 16.**

EU presses Greece to fix budget woes

By Charles Forelle

BRUSSELS—European finance ministers stood firm in their position that Greece must work to narrow its budget gap before they would discuss aid to the country, and pledged more scrutiny of financial transactions that may have been used to mask its debt burden.

Olli Rehn, the European commissioner for economic affairs, said after a meeting of EU finance ministers Tuesday that commission officials, along with delegations from the European Central Bank and the International Monetary Fund would be "on the ground in Athens" in coming days to scrutinize Greece's budget measures.

The ministers endorsed a decision Monday by members of the euro zone that Greece be given until March 16 to show progress toward its goal of cutting its budget gap by four percentage points, in gross domestic product terms, this year. Last year's budget deficit was around 13% of GDP. The EU limit, which Greece has observed just once in the past decade, is 3%.

If Athens doesn't show enough progress by March 16, the EU will demand specific changes, such as new taxes on luxury products. The new deadline is tight. Greece must go to international markets for fresh borrowing in April.

Last week, EU leaders committed that the euro zone would provide support for Greece if the budget situation became dire. But officials have resisted discussing specifics of that support.

A bailout is unpopular in Germany, which as the largest and strongest economy in Europe would take a lead role—and shoulder a leading share of the cost. Germany's finance minister was absent from Tuesday's meeting and sent his deputy instead.

Greek Finance Minister George Papaconstantinou emphasized that institutional reform is moving fast but cautioned that political and

Please turn to page 15

A buoyant dollar

■ Sentiment takes a dramatic shift against euro 15

Taliban No. 2 is captured

By Matthew Rosenberg

KABUL—The Taliban's top military leader was captured this month in a joint Pakistani-U.S. operation, dealing a setback to militants and providing the clearest indication to date that Pakistan appears willing to aid U.S. efforts to suppress the Afghan insurgency.

Mullah Abdul Ghani Baradar was the day-to-day leader of the Taliban, overseeing its political and military efforts and helping run its leadership council, known as the Quetta Shura for the southwestern Pakistani city where it is said to be based.

He was captured in a joint operation by Pakistani and American intelligence agents, said officials from both countries. He is being held by Pakistan's Inter-Services Intelligence agency, and being interrogated by both Pakistanis and Americans, officials said. They indicated he was talking, but wouldn't provide details of what he was telling them or if he had provided any valuable intelligence.

A U.S. official in the region claimed the significance of his capture was comparable to the 2002 arrest of al Qaeda operative Khalid Sheikh Mohammed, who is alleged to have been a key architect of the Sept. 11, 2001, attacks.

Officials say Mullah Baradar's capture is likely have at least short-term effects on the Taliban and will bolster U.S. efforts to reverse the tide of the war.

"He was the brains—he was pulling the strings" in the Taliban, the official said. "Guys like that are hard to replace. You can't do it quickly."

The Taliban have had to replace senior leaders before, although none as senior as Mullah Baradar. They remain a potent force in Afghanistan, controlling swaths of the south and other regions.

Even without their top military commander, the militants have skirmished effectively with North Atlantic Treaty Organization troops, using hit-and-run tactics and buried bombs to contend with vastly superior forces in the current offensive in the town of Marjah. Their fighters can strike opportunistically, with suicide bombs and other weapons, regardless of who occupies their top military post.

Still, the arrest comes as

Please turn to page 14

A brush with death

In a rare battlefield miracle, an insurgent sniper in Afghanistan hit a U.S. Marine in the front of his helmet, and he survived. **Page 14**

Standard Chartered

Foreign currencies aren't foreign to us

Best Emerging Markets Bank
Best FX House in Africa
Euromoney Awards for Excellence 2009

wholesalebanking.standardchartered.com

Standard Chartered Bank is regulated by the Financial Services Authority in respect of its conduct of business in the UK.

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Ind PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Sirs180(Ind VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50

KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK MENPEN R.I. NO: 01/SK/MENPEN/SCJ/1998 TGL 4 SEPT 1998

THE WALL STREET JOURNAL.

PAGE TWO

What's News—

* * *

Business & Finance

■ **The dollar's leap** against the euro in recent weeks marks a dramatic turnaround in sentiment that is throwing a monkey wrench into the plans of corporations and investors who were betting on continued dollar weakness. On Tuesday, the dollar declined as investors piled into stocks and commodities, turning their backs on the low-yielding greenback. **15, 25**

■ **Many economists expect** the yuan to gain against the dollar sometime this year. And inflation is likely to push China to revalue. But there is no perfect solution to how to go about a revaluation. **3**

■ **Japan overtook China** as the largest holder of U.S. Treasury securities in December. Foreigners bought U.S. assets at a brisk pace, albeit at a slower rate than the month before. **29**

■ **Toyota is considering ways** to bolster quality checks and to enhance disclosure to consumers. **17**

■ **Morgan Stanley** may have to hand over a $2.4 billion Japanese hotel chain to creditors when the debt falls due in April. **17**

■ **Shell proposed** cutting executive pay but increasing potential stock awards. **19**

■ **U.S. stocks climbed smartly** as investors returned from a three-day weekend. Australia's benchmark was buoyed by strong earnings at Westpac. **25**

■ **Bharti Airtel said** its bid for most of the African assets of Kuwaiti telecommunications provider Zain would cost it about $9 billion, plus $1.7 billion in debt. **22**

■ **Sumitomo made a bid** to lift its holdings in Jupiter Telecommunications, challenging KDDI for control of the Japan's largest cable TV operator. **21**

■ **Barclays booked** a $14.71 billion profit for 2009, thanks to the sale of its asset-management business and the addition of Lehman's North American operations. **23**

■ **Daiwa Securities may consider** buying a boutique investment bank and getting into Asian private equity as it seeks to remain independent. **22**

■ **Central Japan Railway** is aiming to work with U.S. companies as part of an aggressive bid to build its bullet train in Florida. **18**

■ **Foster's first-half earnings** fell 14%, missing analysts' expectations, as the global downturn and exchange rates hurt the Australian company's wine division. **21**

Reuters/KCNA

North Koreans dance at a square in Pyongyang on Tuesday in celebration of leader Kim Jong Il's 68th birthday. This and other spectacles were larger this year than last and appeared designed to counter his regime's diminished standing after it clamped down on independent economic activity and wiped out the savings of many of its citizens. **Page 4.**

* * *

World-Wide

■ **Delhi police detained** two British nationals for "suspicious behavior" following a high alert in the city in the aftermath of the Pune blast that killed 10, according to a police spokesman. **6**

■ **India's home minister** condemned an attack by Maoist rebels on a military outpost in the east that left 24 soldiers dead and three injured. **6**

■ **The release of a leading** dissident in Myanmar has intensified questions about whether the military regime will meet its promise to hold free and fair national elections this year. **4**

■ **Australia said** talks on a free-trade deal with China are set to resume, with agricultural trade remaining a key sticking point. **5**

■ **The pledges countries** have made to reduce emissions fall short of what is needed to reach a key target, an IEA study found. **7**

■ **Support for Australian** Prime Minister Rudd is at its lowest since he became leader of the center-left Labor administration over two years ago, a poll showed. **5**

ONLINE TODAY

Most read in Asia

1. Opinion Asia: Hong Kong and Falun Gong
2. Luger Who Died Was Terrified of Track
3. Exports Boost Japan's Growth
4. Love vs. Family in Hong Kong
5. Taliban Resist Afghan Offensive

Most emailed in Asia

1. Questions to Ask Before Saying 'I Do'
2. Greek Tragedy That Changed Europe
3. Luge Group Discussed Limiting Speeds
4. Love vs. Family in Hong Kong
5. The $555,000 Student-Loan Burden

Speakeasy

blogs.wsj.com/speakeasy

See which dogs will steal the show as the final awards are presented at the Westminster Kennel Club Dog Show.

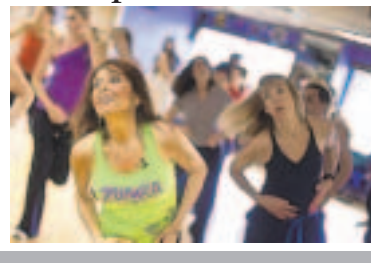
Continuing coverage

Find the latest results from the Winter Olympics in Vancouver at wsj.com/olympics.

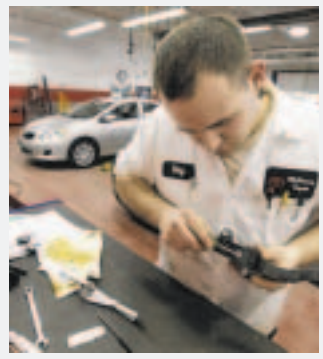
What's your Workout?

wsj.com/health

Author Marci Shimoff gained weight while on her last book tour. Zumba, a Latin dance-based aerobic routine, got her back in shape.



Inside



Business & Finance: Car 'black boxes' get renewed attention. **17**

Heard on the Street: Speculation is drug-induced in India. **31**

World News: India embarks on a cleanup of the Ganges River. **6**

Winter Olympics: Georgia mourns luge athlete who died. **16**

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 6269-2760; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 6269-2701; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

Yen's lesson for yuan

China notes Japan's devaluation troubles, but inflation is a factor

By Andrew Batson

BEIJING—Economists and politicians from Brussels to Washington say that the yuan is undervalued. For China's own good and that of the global economy, they say, the currency needs to move up in a big way, and soon.

So why hasn't China revalued? Part of the answer is Japan.

The last time the U.S. was faced with a rising Asian export power, the currency also became a big political issue. And in September 1985 the major economies of the time met at the Plaza Hotel in New York to ease those tensions. The accord they reached caused the dollar to fall from roughly 240 yen to about 160 over two years.

Today, China's critics are demanding a similarly sweeping move. But Japan soon regretted agreeing to a big surge in the yen: Growth slowed abruptly, which pushed the government to boost spending and lower interest rates. A real-estate bubble and a yearslong slump followed. And the issue the Plaza Accord was intended to fix—Japan's sizable trade surplus—remains to this day.

From Japan's example, Chinese thinkers learned that a big exchange-rate move could damage their economy, and won't necessarily help the trade balance.

Many Chinese economists say they think their nation's large trade surplus is best addressed with domestic policies to lower high savings rates. "To only focus on the exchange rate is the wrong approach. You have to look at fundamentals," said Yao Yang, an economist at the China Center for Economic Research in Beijing. "It will kill China's economy if you appreciate the renminbi by 20% in one month."

The costs to China of a big exchange-rate move would be immediate and concrete: export factories whose goods suddenly got too expensive would close, idling workers. Yet the benefits that proponents say come from yuan appreciation are diffuse and abstract: chiefly, a more "balanced" global economy.

So what could persuade China to revalue? The most likely factor is inflation.

China's leaders have bristled at rising foreign pressure on the yuan, also known as the renminbi, with Japan's unhappy example giving them few reasons to heed Western advice.

"Accusations and pressure clearly do not help solve the problem," foreign-ministry spokesman Ma Zhaoxu said recently. But the leadership's fears of an inflationary cycle that could spark social unrest may prove a stronger motivator.

Thanks to its government stimulus, China's economy has recovered well ahead of the rest of the world. The problems of rapid growth also have arrived early: Consumer prices were up 1.5% from a year earlier in January, and are expected to accelerate in coming months. The central bank has already raised banks' reserve requirements twice this year, most recently on Friday, aiming to contain a boom in credit as housing prices soar.

A stronger currency can help by cooling the economy through restraining exports, and also by making imports less expensive. China's government tried to counter the last surge in inflation, which began in 2007, with currency appreciation. The yuan gained about 15% against the dollar until authorities returned to a de facto peg in mid-2008. A similar response now is plausible.

U.S. Treasury Secretary Timothy Geithner said recently he thinks it is "quite likely" that China will let the currency move. Many economists say they expect the yuan to gain against the dollar this year. Markets are pricing in a roughly 2.7% gain over the next 12 months.

So how might China go about revaluing its currency? The textbook answer is to revalue in one fell swoop. But a fast move would be harder on the real economy, because exporters wouldn't have time to adjust.

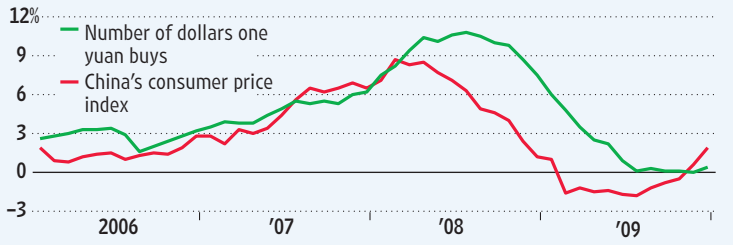
Gradual appreciation creates its own problems, as China found out during the yuan's rise in 2007 and 2008. Investors could easily anticipate gains in the currency, and the money that flowed into China as a result probably fed a surge in inflation and asset prices that was only interrupted by the onset of the global financial crisis.

Today's dilemma is familiar to China. That means Beijing may opt for a familiar solution: a variation of the compromise approach it took in July 2005 when it moved off a de facto peg to the dollar.

Price push

Inflation may lead China to start revaluing its currency.

Change from a year earlier in:

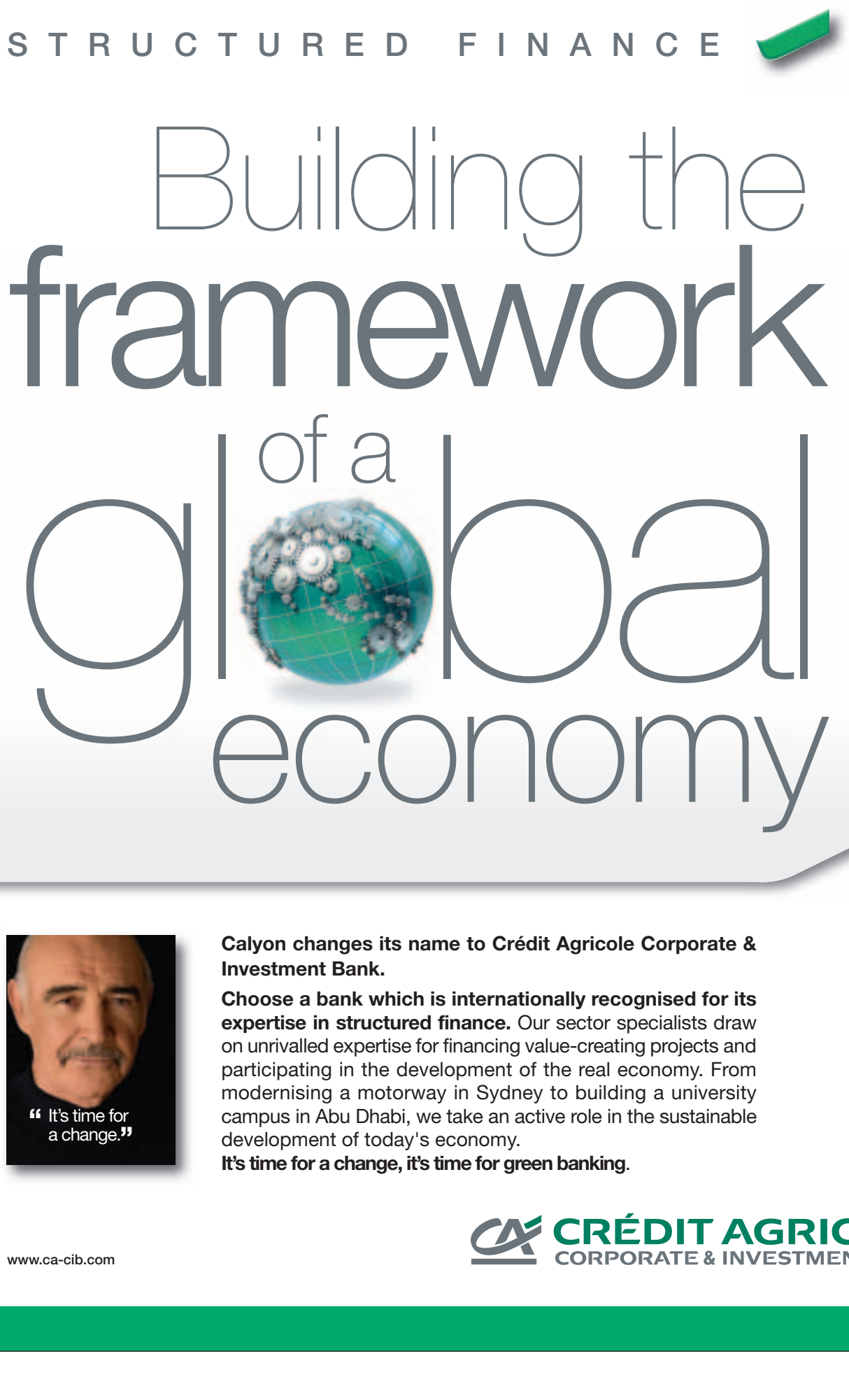


Sources: National Bureau of Statistics; WSJ Market Data Group

STRUCTURED FINANCE

Building the framework of a global economy

AUBERT&TORCH



Calyon changes its name to Crédit Agricole Corporate & Investment Bank.

Choose a bank which is internationally recognised for its expertise in structured finance. Our sector specialists draw on unrivalled expertise for financing value-creating projects and participating in the development of the real economy. From modernising a motorway in Sydney to building a university campus in Abu Dhabi, we take an active role in the sustainable development of today's economy.

It's time for a change, it's time for green banking.

www.ca-cib.com

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

WORLD NEWS: ASIA

Dissident's release raises questions

After Myanmar frees Tin Oo, doubts remain coming elections will be fair and involve all the regime's opponents

By A Wall Street Journal Reporter

The release of a leading dissident in Myanmar over the weekend has intensified questions about whether the military regime will keep its promise to hold free and fair elections this year, and about what form the opposition will take.

The concerns deepened on Tuesday, amid reports that the government sentenced four women activists to prison terms with hard labor and the release of an Amnesty International study detailing cases of torture and other abuses against activists in recent years.

These developments cast a shadow over a visit by United Nations envoy Tomás Ojea Quintana, who is touring Myanmar to study the country's progress on human rights. Advocacy groups have long accused Myanmar's regime of abuses including the incarceration of more than 2,000 dissidents, notably famed Nobel laureate Aung San Suu Kyi.

The regime has tried to appear more conciliatory recently. On Saturday, it released a prominent dissident, Tin Oo, from house arrest, ending a period of detention that began in 2003. Mr. Tin Oo helped to found the country's main opposition party, the National League for Democracy, along with Ms. Suu Kyi in 1988. The NLD easily won elections two years later, but the government ignored the results and eventually imprisoned many senior NLD leaders, including Ms. Suu Kyi and Mr. Tin Oo, the organization's vice chairman.

Ahead of the planned first national election since that 1990 one the NLD won, the regime has also allowed Ms. Suu Kyi to meet with top officials of her party. Analysts say the military wants to hold the vote to enhance its legitimacy and needs some measure of opposition participation to lend credibility to the process.

Although dissidents and exiles welcomed Mr. Tin Oo's release, they questioned whether it represented significant progress, given that the government hasn't released Ms. Suu Kyi from house arrest. Leaders in the U.S. and elsewhere say Ms. Suu Kyi's release is a precondition to holding a free and fair election.

European Pressphoto Agency

Tin Oo, the National League for Democracy's deputy leader, met journalists at party headquarters on Monday.

Some dissidents said they suspect military officials released Mr. Tin Oo because they may consider him to be too old, at age 82, to stir up serious trouble.

"It is expected that the junta will launch such a charm offensive to improve its image before the elections," said Soe Aung, a spokesman for the Forum for Democracy in Burma, a Thailand-based dissident group. Still, "the junta will make sure at all costs that the opposition will be weakened if not paralyzed before the elections," he said.

Attempts to reach the Myanmar government, which rarely talks to foreign journalists, were unsuccessful. Than Shwe, the country's reclusive senior military leader, has in the past said the election will be "free and fair." The regime said the vote will take place this year, but hasn't announced a date.

It remained unclear what, if any, progress the U.N. special envoy can achieve during his visit. He is expected to meet with government officials but it remained uncertain whether he would be allowed to meet Ms. Suu Kyi. He met with opposition leaders Monday and traveled to northwestern Rakhine state Tuesday, where he was expected to visit a prison.

The Associated Press, citing an opposition spokesman, said that the four women who were sentenced to two years of prison and hard labor on Monday were arrested in October 2009 after being accused of offering to Buddhist monks alms that included religious literature. The women used to hold prayer services at Yangon's Shwedagon pagoda for Ms. Suu Kyi's release, the AP said.

The Amnesty International report, which covered two years ending in August 2009, alleged that authorities targeted ethnic minority activists and in some cases tortured or executed them. It called on the government to release political prisoners, among other steps.

The government has denied accusations of human-rights abuses in the past.

Rebuilding the opposition in the face of persecution from state authorities remains a critical issue for Myanmar, a resource-rich country whose troubles have long unnerved neighbors in the region. Despite widespread concerns about the legitimacy of this year's vote, some analysts are hopeful it will at least open the door to more open political discourse, especially if more political prisoners are released in the months ahead.

Over the past 15 years, the junta has dismantled the NLD's network of regional offices across the country and subjected leaders who aren't in prison to constant surveillance, according to human-rights groups. It has also prohibited the NLD from holding major summits, though it allowed the group to keep a headquarters in Yangon. Many senior opposition figures no longer live in Myanmar, and most of the top ones who remain involved now are in their 70s and 80s.

The NLD party has looked to regroup over the past year. It has expanded its central leadership committee to bring in new blood.

But party members are still deeply divided over whether to participate in the election. Some believe nothing short of a full boycott is acceptable unless the junta frees Ms. Suu Kyi and takes other steps such as revising the country's constitution, which reserves many government posts and 25% of parliamentary seats for military officers. Younger opposition members—including some in their 40s and 50s—are more willing to participate, according to dissidents. These members are said to believe that even if the vote is rigged, they could at least gain some positions of influence, and that sitting out would only marginalize the group further.

Mr. Tin Oo told followers that he planned to resume his political activities as deputy leader of the NLD despite warnings to desist, Reuters reported.

A former army general who fell out with military leaders, Mr. Tin Oo spent numerous years in prison in recent decades. Authorities last detained him—along with Ms. Suu Kyi—in 2003 after a pro-government mob attacked their convoy during a tour of northern Myanmar in which several people were killed. Government officials argued the two represented a threat to national security.

Mr. Tin Oo's latest term of detention expired on Saturday.

North Korea celebrates amid internal strife

By Evan Ramstad

SEOUL—North Korea celebrated the birthday of leader Kim Jong Il on Tuesday with musical performances, floral shows and news footage of the dictator doling out cookies to children.

The spectacles were larger this year than last and appeared designed to counter his regime's diminished standing after it clamped down on independent economic activity and wiped out the savings of many of its 22 million citizens.

Over the weekend, North Korea's state news agency reported that 100,000 people attended a rally in the capital of Pyongyang as part of a tribute to Mr. Kim and the ruling Workers' Party. It then released video footage of Mr. Kim delivering cookies and other "gifts of love" to children and reported that Mr. Kim attended an orchestra concert on Monday.

The country plans to hold events through Thursday in honor of Mr. Kim. According to his official biography, he was born in 1942 at the foot of the country's highest mountain, making him 68 years old. Other histories state he was born in 1941 inside the Soviet Union, where his parents and other Korean revolutionaries were based during World War II.

The birthday-related events show the regime is still able to flex its propaganda muscle and produce demonstrations of support, despite the recent internal backlash over a clampdown on market activities, as well as continued international pressure over its production of nuclear weapons.

Mr. Kim a year ago rejected U.S. outreach at the start of the administration of President Barack Obama, then ramped up North Korea's weapons testing, leading to a series of sanctions against his country that have damaged its ability to sell weapons.

Internally, his government faced more trouble when it attempted in December to restrict market-economic activities by issuing new currency. The reaction has been surprising in its size and visibility to the outside world.

Mr. Kim's moves robbed most North Koreans of their savings by strictly limiting the amount of old currency that could be converted to the new. But he failed to show that his government could take over the role private business increasingly played over the past decade in getting food and other basic goods to people.

Prices of foods and other goods soared as the value of the new currency plunged against the U.S. dollar and Chinese yuan, based on reports of unofficial market values. The North Korean won isn't officially traded with any other currency.

In recent weeks, reports emerged that with food becoming scarce and public anger growing, Mr. Kim's government is trying to reverse some restrictions it imposed on market activity.

The reports, which have come mostly from aid and defector groups in South Korea that communicate with people in the North, couldn't be confirmed.

Reuters/KCNA

Scouts salute leader, Kim Jong Il, on his birthday in Pyongyang on Tuesday.

Japan's economy tops forecasts

Exports and capital spending by manufacturers increase, spurred by growth in China and other Asian countries

By Tomoyuki Tachikawa

TOKYO—The gloom is lifting a bit from the Japanese economy, as sharp growth from China and other Asian neighbors is lifting exports and spurring more capital spending by the nation's manufacturers, though Beijing's recent moves to prevent overheating could limit Tokyo's recovery.

While the spotlight in recent weeks has been on the travails of two corporate icons—quality problems at Toyota Motor Corp. and the bankruptcy of Japan Airlines Corp.—profits for most Japanese companies surged at the end of 2009, while the economy grew faster than a 4% annualized pace for the three months ended Dec. 31.

Significant problems still hang over the world's second-largest economy—a distinction Japan retained by expanding just enough to stay bigger than China, at least through the end of last year. Economic growth was elevated by government stimulus spending that is slated soon to expire and will be hard to extend, given the country's huge public debt. Profit growth came off a low base and was largely the result of cost-cutting, as revenues continued to fall amid persistent deflation.

Still, policy makers and some economists have been turning a bit more positive about Japan's near-term prospects. Monday's data "appear to show signs that the Japanese economy may return to a sustainable recovery path," Keisuke Tsumura, a parliamentary secretary at the cabinet office, told reporters. "The risk of a double-dip recession has decreased a little."

Meanwhile, Japan's relatively strong economic performance likely will reduce pressure on the Bank of Japan to further ease monetary policy in the near term. The central bank's target interest rate is now at 0.1%; it also provides liquidity to the money markets in an effort to stoke demand. The BOJ's policy board is holding a two-day meeting ending Thursday, and is expected to keep its policy unchanged.

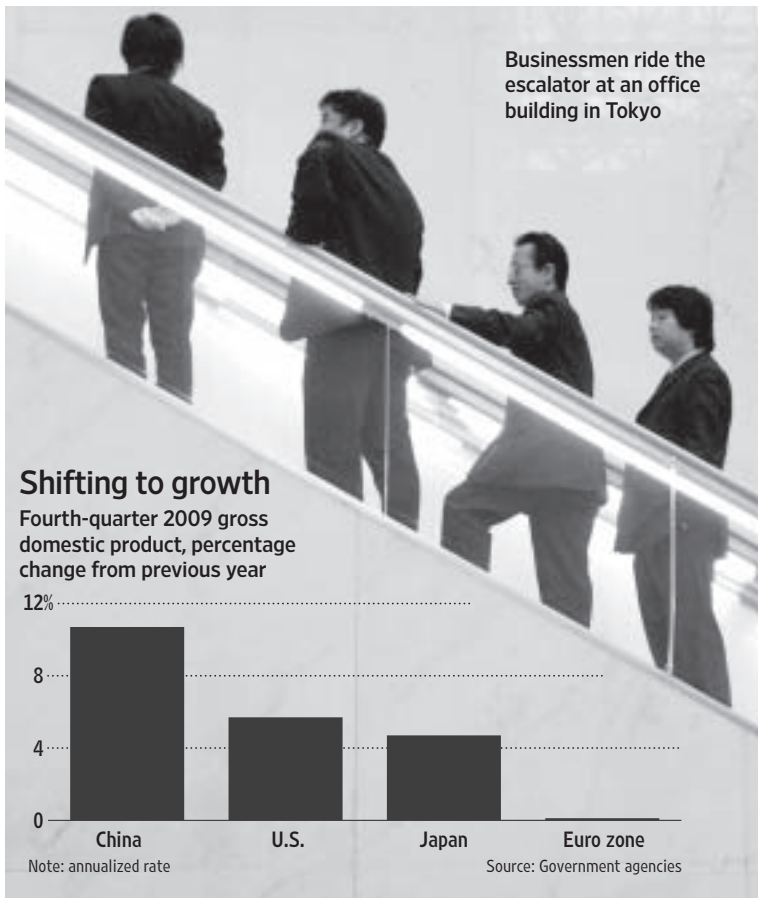
Japan's 4.6% annualized growth rate for the fourth quarter—announced by the government Monday—follows robust growth reports for the period from the U.S., which posted 5.7% expansion over the previous quarter, and China, which had 10.7% growth. Europe, for now at least, has replaced Japan as the central drag on global growth among the world's leading economies, reporting expansion last week of just 0.4% for the period.

Separately, Daiwa Capital Markets released on Monday a survey summarizing the results of the recent earnings period, showing that, on average, the 300 major Tokyo-listed companies reported a 217.1% increase in pretax profits during the October-December quarter.

Japanese auto makers, in particular, are seeing their profits rise on improved overseas market conditions. Nissan Motor Co., for example, said last week it expects a net profit of 35 billion yen (about $389 million) in the fiscal year ending March 31, compared with its earlier forecast of a 40 billion yen net loss. This makes Nissan the latest Japanese car maker to upgrade its full-year forecast, following solid earnings reports from Toyota and Honda Motor Co. earlier in the month.

The rise in profits is coming mostly from the manufacturing sector. Those companies reported nearly a 30-fold average increase in pretax profits, compared with non-manufacturers, whose profit increase was a more modest 24.6%, according to Daiwa. Overall, the profit increase came on a 7.6% drop in sales for the period.

Underscoring the uncertainty still hanging over Japan's economy, stocks fell modestly Monday, despite the strong economic data. (On Tuesday, the Nikkei 225 rose 0.2% to 10034.25.) Among other things, investors appeared worried about Beijing's recent moves to tighten monetary policy, which could slow Japan's main growth engine.



Reuters

The GDP report said corporate capital investment increased for the first time in seven quarters, rising 1%. A 5% climb in exports inspired company managers to spend more on their facilities to meet the increased overseas demand, analysts said. The most recent data released by the finance ministry showed that Japanese exports to Asia increased 31.1% year-to-year in December.

The economic figures also showed that a slight increases in domestic demand also helped to lift Japan out of its worst recession in the postwar era.

Private consumer spending, which accounted for about 58% of real gross domestic product, rose 0.7%, supported by government measures to encourage purchases of energy-efficient electrical appliances and cars. That was the third straight quarter of gains.

As a result, domestic demand added 0.6 percentage point to GDP growth, and external demand—exports minus imports—contributed 0.5 point. This was the first time since January-March 2008 domestic demand pushed growth higher.

But with last year's 12-trillion-yen stimulus plan being replaced by more-modest measures, consumer spending is expected to fade. "The pace of the growth is expected to become slower early this year, as areas like consumption are largely supported by government policy," said Mari Iwashita, chief market economist, Nikko Cordial Securities.

Economists now expect real GDP growth to slow to an annualized 0.8% in January to March and 0.75% the following quarter, according to a survey of 39 economists released last week by the government-affiliated Economic Planning Association.

And the GDP report also indicated that deflation, a persistent fall in prices that hurts economic activity by dragging down corporate earnings and increasing the debt burdens of companies and individuals, continues to weigh on demand.

The GDP deflator—an indicator that gives a broad reading of price trends—worsened to a record low of a 3% decline in October-December from the previous year, compared with a 0.6% decrease in the previous quarter. A fall in domestic prices pushed down the deflator as the gap between supply and demand widens.

"While there is a glimmer of light shining between the clouds, we can't be complacent," Finance Minister Naoto Kan told reporters.

Reflecting the severity of last year's downturn, real GDP for 2009 shrank 5%, marking the sharpest slide since records began in 1955. That put Japan's GDP at $5.085 trillion last year, slightly higher than China's $4.909 trillion and keeping it the world's second-largest economy, the Cabinet Office said.

—Kenneth Maxwell contributed to this article.

Rudd support slips in new poll

By Rachel Pannett

CANBERRA—Support for Australian Prime Minister Kevin Rudd is at its lowest point since he became leader of the center-left Labor administration more than two years ago, according to a poll published Tuesday.

The poll shows a number of initiatives, particularly climate-change legislation, have come at greater political cost than expected to the government, and notably to Mr. Rudd, who has enjoyed broad popular support for much of his tenure.

The Newspoll, published in the Australian newspaper, shows voter dissatisfaction with the prime minister has risen to 40%—the worst result since Mr. Rudd became prime minister in December 2007. Satisfaction with Mr. Rudd's performance is stalled at 50%.

Meanwhile, support for Tony Abbott, leader of the main conservative Liberal-National opposition coalition, has risen, with 44% of voters satisfied with his performance, compared with 41% two weeks ago, and 37% dissatisfied, down from 39%.

The results, however, show the government still enjoys an edge in terms of popularity over the Liberal-National coalition.

Bloomberg News

Australian Prime Minister Kevin Rudd

Public support for the government has risen slightly, to 53%, compared with 47% for the main Liberal-National opposition coalition—an election-winning lead. The government regained some ground after its lead narrowed to just four percentage points two weeks ago. Two years ago it enjoyed approval levels of above 60%.

The opposition also has a slightly higher approval rating than Mr. Rudd's Labor Party in a straight match-up. On a primary-vote basis, which counts voters' first preferences but discards the second or third choice allowed under Australia's voting rules, the Labor Party has only a 39% approval rating—its worst outcome since December 2006, while the Liberal-National coalition has a 40% rating.

Voters weren't polled directly on their support for the government's cap-and-trade policies. But the issue has dominated political debate in Australia in the past month, with Mr. Abbott calling the government program a "great big new tax."

A showdown looms next week as Senate lawmakers will debate for a third time legislation that would place a cap on greenhouse-gas emissions, forcing big polluters to buy carbon permits to account for their emissions. The upper house Senate already has rejected the plan twice.

The government also has been under attack in Parliament for its handling of a government-subsidized home-insulation program that has resulted in four deaths and numerous house fires since it began last year.

The next national election is due no later than early 2011.

Australia is to restart trade talks with China

By Geoffrey Rogow and Ray Brindal

CANBERRA—Long-delayed talks over a free-trade agreement with China are set to resume, with agricultural trade remaining a key sticking point, Australian Trade Minister Simon Crean said Tuesday.

The 14th round of negotiations with China, Australia's biggest merchandise trade partner in the fiscal year that ended in 2009, will be held in Canberra, the minister said in a speech to the Foreign Correspondents' Association in Sydney. They begin on Feb. 24, his spokesman said later.

The trade-agreement talks resume during a difficult period for Sino-Australians relations, with friction arising from the arrest, and indictment last month, by China of four **Rio Tinto** employees, including Australian national Stern Hu, on charges of receiving bribes and stealing commercial secrets. There also has been some concern about the high level of planned investment in Australia's natural-resource industries by Chinese state-owned entities.

Negotiations for the pact have been stalled at a technical level since a 13th formal round of talks was held in Beijing in December 2008, Mr. Crean said.

"The key market-access areas of these negotiations have been difficult, and negotiations have taken longer than we would have hoped, but high-level political commitment on both sides remains," he said.

Issues surrounding the trading of agricultural products has been especially sensitive for Australia, he added.

"It is clearly impossible for Australia to accept an FTA outcome that is lesser than what China has already offered to New Zealand when it comes to agriculture," he said.

Australia and China agreed in April 2005 to commence negotiations on a free-trade agreement after a study concluded that there would be significant economic benefits for both countries.

"Doha's conclusion offers us a further strengthening of the insurance policy against the spread of protectionism," the trade minister said.

Police in Delhi detain 2 Britons

'Suspicious behavior' cited after Pune blast

By Arlene Chang

MUMBAI—Delhi police late Monday night detained two British nationals for "suspicious behavior" following a high alert in the city in the aftermath of the Pune blast that killed 10, a police spokesman said.

The Press Trust of India identified the two men as Stephen Hampston, who the news agency said is in his mid-40s, and 55-year-old Steve Martin, who were picked up from the Radisson Hotel after police received a tip that the two possessed sophisticated equipment. Police recovered high-tech binoculars from them, the news agency said.

Delhi police spokesman Rajan Bhagat said in an interview Tuesday that the men weren't arrested but being questioned at their hotel. "We picked up two people from Radisson Hotel for questioning," he said, adding, "They are British nationals, but we can't say if they are from any outfit." He declined to say if the duo possessed equipment capable of air surveillance.

A British official said two people with similar names were arrested in recent days for photographing planes, but wasn't aware of any connection with the Pune blast.

Several cities in India, including Delhi, which hosts field hockey's World Cup this month and the Commonwealth Games in October, have been on high alert after the Pune blast. The blast in the western Indian city occurred Saturday at German Bakery, a popular tourist spot in the upmarket Koregaon Park area.

The explosion took place after a waiter attempted to open an unattended package in the bakery premises. The incident claimed its tenth victim Tuesday.

Satyapal Singh, Pune's police commissioner, told a news conference Tuesday the explosive "was a mixture of ammonium nitrate, RDX and petroleum hydrocarbon."

He declined to disclose how many people police questioned. "We have questioned many people but I cannot put a number to it," he said. "It will be very premature to comment on which organization is involved. ... We cannot concretely say anything now."

Pune's blast shouldn't derail resumption of talks between India and Pakistan but should be first item if India finds a Pakistani link, Sen. John Kerry said.

—Alistair MacDonald contributed to this article.

India official condemns deadly Maoist attack

By Krishna Pokharel

NEW DELHI—India's home minister Tuesday condemned an attack by Maoist rebels on a military outpost in eastern India that killed 24 soldiers and injured three.

The attack by the Naxalites on a paramilitary outpost near a rural market in the eastern state of West Bengal inflicted one of the highest number of casualties in a single-day on the Indian security forces battling the rebels, officials said. The severity of the attack underscored the challenges facing the ruling Congress party-led government in taming the rising insurgency.

The attack Monday was "another outrageous attempt by the banned organization to overawe the established authority," Indian Home Minister Palaniappan Chidambaram said in a statement. He called on Indian citizens to condemn the violence and to help end "the menace of Naxalism, and bring development and progress to the people in the conflict zones."

In the past, Mr. Chidambaram has said the government is ready for talks with the rebels should they give up the use of violence.

A top Maoist leader who called local media late Monday to claim responsibility for the attack, said his group was ready to start talks with the government if it ended its offensive against the rebels.

The latest attack showed the audacity and change in tactics by the Naxalites, even as the government has ratcheted up its offensive against the insurgents over the past year.

"It was the first kind of attack with so much planning and firepower that we witnessed from them," said Pandey Santosh, additional superintendent of police for West Medinipur.

A group of 100 armed Maoists in plainclothes mingled with the local market crowd Monday, then laid siege to the makeshift paramilitary camp there, where about 60 paramilitary personnel were resting after the day's patrol.

"They threw grenades from all sides before the forces could think of retaliating," Mr. Santosh said. He said the insurgents sped off in motorcycles and vans before disappearing into a nearby forest.

In recent years, the Naxalites, who advocate the overthrow of the Indian government, have made significant inroads in the center and south of the country. Prime Minister Manmohan Singh has called Naxalism the biggest internal-security challenge India faces.

The government has deployed an increasing number of security forces to fight the Naxalites and regain territory lost to them.

The death toll in the insurgency rose 36% to 1,125 in 2009, compared with the year earlier, according to India's Ministry of Home Affairs. Last week, Mr. Chidambaram said it was possible the trend of rising casualties would continue this year, too.

Medinipur is one of the three districts of West Bengal with a heavy Naxalite presence. West Bengal is the home to the Naxalites. The movement derives its name from the Naxalbari village in West Bengal, where it began as a peasants' uprising in the late 1960s.

Olivier Culmann/Tendance Floue for The Wall Street Journal

Devout Hindus come from all over to cleanse themselves in the Ganges for the festival of Kumbh Mela, celebrated every three years. The government has started a massive campaign to clean up the polluted river itself.

Holy Ganges to get a cleanup in $4 billion government move

By Krishna Pokharel

VARANASI, India—More than a million devout Hindus bathed in the Ganges River on Feb. 12, braving the risk of terrorist attack, stampede and petty crime for the chance to wash away the sins of a lifetime and open the gateway to heaven after death.

But perhaps the greatest threat to the devotees who flocked to Haridwar, India, on one of the most auspicious days of the triennial Kumbh Mela festival, was the water itself.

The river is intensely polluted with sewage and industrial waste. Water-treatment facilities have been unable to keep up with India's rapid growth, often held back by a shortage of funds and other resources.

Now, the spiritually cleansing waters of the Ganges are about to get some cleaning of their own. The Indian government has embarked on a $4 billion campaign to ensure that by 2020 no untreated municipal sewage or industrial runoff enters the 1,560-mile river.

Only 31% of municipal sewage in India undergoes treatment, according to the Central Pollution Control Board, a government agency in New Delhi, while the rest gets discharged into the country's rivers, ponds, land and seas, contaminating underground and surface waters. More than 500,000 of the 10.3 million deaths in India in 2004 resulted from waterborne diseases, according to the most recent comprehensive mortality data from the World Health Organization.

The filth in the Ganges holds special resonance for this majority-Hindu nation. The Ganges basin supports more than 400 million of India's 1.1 billion people, the majority of whom are Hindus, who revere the river as "mother" and "goddess."

The cleanup initiative, which is supported by the World Bank, includes the expansion of traditional treatment facilities and, for the first time in India, the introduction of innovative river-cleaning methods.

Veer Bhadra Mishra, a 70-year-old priest and hydraulics engineer in Varanasi, the holy city downstream from Haridwar, has been a prominent advocate of treatment methods used abroad but not yet in India. His plan: to introduce a system to divert sewage and effluents, before they enter the river, to a series of specially designed ponds, for treatment and ultimately to be used use in irrigation or directed back into the river.

His efforts were mired in court and by opposition from local bureaucrats. The bureaucrats had a "difference of opinion" with Mr. Mishra about the best way to clean the river, says Ramesh Singh, general manager of Ganga Pollution Control Unit, the local government body charged with running government treatment facilities in Varanasi.

Only 31% of municipal sewage in India undergoes treatment, while the rest is discharged into the country's rivers, ponds, land and seas, which gets contamination.

Mr. Singh says the technologies already in use were time-tested and reliable, but suffered from a lack of trained manpower and proper infrastructure, and a shortage of funds for equipment maintenance.

Last summer, after Prime Minister Manmohan Singh identified cleaning up the river as a national priority, the government in New Delhi increased funding to operate and maintain conventional treatment facilities, and also approved Mr. Mishra's plan—giving $184,000 to his organization, the Sankat Mochan Foundation, for the design of a new sewage treatment plant.

The foundation is working with **GO_2 Water** Inc., a Berkeley, Calif., wastewater-technology company. In the plan, 40 million liters of sewage a day—13% of the daily output from Varanasi's 1.5 million people—will be intercepted daily at the riverbank, and diverted. In a nearby village, water will pass through a series of ponds, where sunlight, gravity, bacteria and microalgae will clean the water. A larger pond system is planned, to process 33% more of the city's sewage.

The treatment system "will be the best solution for dealing with huge amount of domestic sewage being discharged into Gangaji and other rivers in India," Mr. Mishra said, using the honorific "ji" with the river's local name, Ganga.

In Haridwar, the National Botanical Research Institute is developing a wetland with local species of reeds to absorb the polluting elements from the wastewater, according to U.N. Rai, a scientist heading the project. Other wetlands will be developed in other areas "to ease the current pollution load in the river," Mr. Rai says.

The load is heavy. On a recent winter morning in Varanasi, lab technician Gopal Pandey descended the stone stairs of Tulsi Ghat, one of the holy city's 84 bathing platforms, to fetch some Ganges water for testing at the Sankat Mochan Foundation, run by Mr. Mishra.

In the laboratory, Mr. Pandey found that each 100 milliliters of the river's waters were laden with 29,000 fecal coliform bacteria, which potentially cause disease. India says a maximum of 500 per 100 milliliters is safe for bathing in the river. Another sample from downstream, after the Ganges meets a tributary carrying a black mass of thick industrial effluents, showed 10 million bacteria—mostly E-coli—in the same amount of river water. Mr. Pandey's verdict: "The pollution is at very, very dangerous level."

Emission goals short, IEA says

Copenhagen Accord target might not be met

By Guy Chazan

The pledges that countries have made to reduce their CO_2 emissions "fall short" of what is needed to reach a key target set at the Copenhagen climate summit last year, according to a study by the International Energy Agency.

The so-called Copenhagen Accord hashed out at December's United Nations summit said the increase in global temperature "should be below two degrees Celsius," and many climate scientists say that failing to meet that target would have dire consequences for the environment.

But the IEA says in the study that the commitments made so far won't be enough to keep the temperature rise to two degrees.

The news comes amid growing skepticism that the next big U.N.-sponsored climate conference—to be held in the Mexican resort of Cancún at the end of the year—can deliver a legally binding deal on curbing emissions.

For now, prospects for a deal in Mexico look bleak, said IEA Chief Economist Fatih Birol in an interview. "Unfortunately, the wind is not necessarily blowing in the right direction," he said.

The IEA, which advises industrialized nations on energy policy, has calculated that all the action plans that countries have submitted so far won't stabilize the long-term concentration of greenhouse gases in the atmosphere at 450 parts per million of CO_2 equivalent—a level that would translate into a two-degree temperature rise, according to the agency.

"The pledges made so far mean 550 parts per million and result in a three-degree increase in temperature,"' Mr. Birol said. "That's much higher than many countries would like to see."

Some policy makers say that a legally binding treaty isn't necessarily the best way to tackle climate change, and that the world should focus more on measures such as improving energy efficiency and investment in green jobs and renewable energy.

The climate-change world has been roiled by an incident late last year, when more than 1,000 emails taken from the Climatic Research Unit at the University of East Anglia in England were posted on the Internet.

Some of the emails suggested attempts to suppress or manipulate data. The center's director, Phil Jones, stepped aside pending the outcome of an independent investigation.

Through the university's press office, Prof. Jones declined to comment. In interviews with Nature magazine and with the BBC that were published in recent days, Prof. Jones denied cheating on data, unfairly influencing the scientific process, or seeking to censor or suppress papers that didn't support the theory of man-made warming.

In the BBC interview, he acknowledged a failure to organize some of his decades-old weather data, and said that had contributed to his refusal to share raw data with critics. Climate scientists, he said, needed to be more transparent with data, and do more to communicate their arguments that humans were driving recent climate change. He also told the journal Nature that Chinese data he had used for a 1990 article in the magazine may have been flawed—though he insisted the "science still holds up."

Reuters

One target of the Copenhagen Accord was for the increase in global temperature to be 'below two degrees Celsius.' Environmentalists assert that even if that goal is met, glaciers like this one off Greenland could melt dangerously fast.

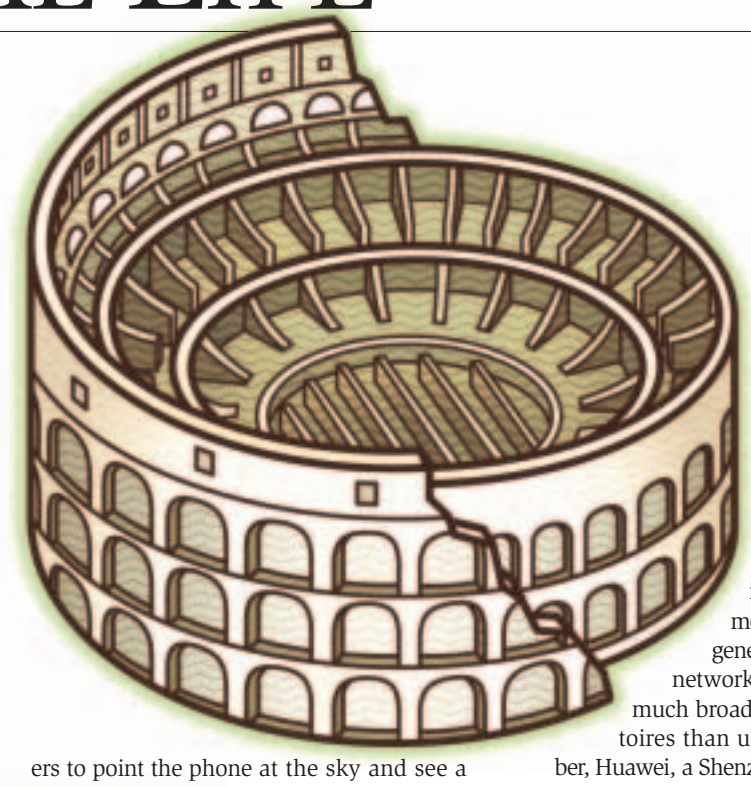
A risk tamed
is a reward captured.
MICHAEL PLATT
CEO and Founder,
BlueCrest Capital Management Limited
For Michael Platt, nothing reduces the threat of risk like CME Group. As CEO and founder of London's fast-growing BlueCrest Capital Management, Michael relies on the assurance — and innovation — of CME Group to protect and manage a $12 billion portfolio. With unparalleled liquidity, transparency and speed, and the security of central counterparty clearing, CME Group guarantees the soundness of every trade. That's why CME Group is where the world comes to manage risk. Learn more at cmegroup.com.
CME Group
A CME/Chicago Board of Trade/NYMEX Company
CME Group is a trademark of CME Group Inc. The Globe logo, CME, Chicago Mercantile Exchange, E-mini and Globex are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange Inc. COMEX is a trademark of Commodity Exchange Inc. All other trademarks are the property of their respective owners. Copyright © 2010 CME Group. All rights reserved.

Special Advertising Section

DIGITAL LIFE

Wireless industry on the threshold of a multifunction future

Improved handset technology, more powerful processors; new capabilities deliver mobile augmented reality: you can point to the Colosseum and even hear the lions roar



The cellphone is undergoing a game-changing metamorphosis. Out goes the dominance of keypad-operated voice and text devices. In come multifunction, multimedia, touch-screen-operated personalized communicators. And next up are pocket terminals optimized for super-fast access to the Web.

According to Gartner Inc., a Stamford, Connecticut-based research firm, by 2013 mobile phones will overtake PCs as the most common device for accessing the Web, with over 1.8 billion browser-equipped phones in circulation world-wide.

The mobile industry's shift from a voice and text-based business model to a multimedia and multifunction one has a number of drivers.

One is improved handset technology, with cellphones now and in the future able to support far greater functionality than previously as their components become smaller, more powerful and more efficient. "Processors are getting more powerful. There's a huge difference between each generation," says Tina Teng, senior analyst, wireless communications, at iSuppli, an El Segundo, California-based electronics-market research company. "At the same time the performance of processors is being optimized."

Extra devices

As a result, says Ms. Teng, in addition to cameras and Global Positioning System (GPS) trackers, cellphones can now incorporate extra devices such as accelerometers and gyroscopes — the first measure acceleration forces and the second measure orientation. Together with the phone's camera and GPS, they allow software running on the phones to better know where the user is and what the user's surroundings are.

These kinds of capabilities are starting to deliver mobile augmented reality (AR) applications. A recent report from Basingstoke, U.K.-based Juniper Research estimated that the market for mobile AR services would reach total annual revenues of $732 million by 2014.

AR involves the overlay of graphics, audio and other information on to a video screen or other real-time display.

Layar is a consumer AR application developed by an Amsterdam-based company of the same name, that, for example, allows users to point a camera phone at a construction site and see what the finished building will look like, or point it at Rome's Colosseum to see what that structure originally looked like — and even hear lions roaring. An enterprise AR application is DishPointer, developed by a Northampton. U.K.-based company of the same name, which enables satellite TV installers or broadcasters to point the phone at the sky and see a virtual overlay of the nearest satellites.

AR has been around for a while in applications such as pilot head-up displays, but the move into cellphones is very recent. "The new part is that we can now all own a piece of technology that can perform AR," says Kevin Burden, practice director, mobile devices, at New York-based ABI Research.

Touch screens, made popular on mobile devices by Apple's iPhone, which was launched in January 2007, also widen the remit of the cellphone by providing a larger viewing area, for instance, making video services more practical. "You got more real estate," says Pete Cunningham, senior analyst at Canalys, a Reading, U.K.-based research company.

"One of the biggest single opportunities today is selling access to basic Internet services on a mobile phone."

Additionally there's the suggestion that if phones are easier to use — a claim often made for touch-screen models — people will be more likely to try out more exotic services than just making and receiving voice calls and text messaging. In a recent Canalys survey of cellphone users in France, Germany and the U.K., 54% said a touch screen would be their preferred main user interface on their next cellphone.

A further ingredient in the diversification of mobile phone capabilities is the growing popularity of open-source operating system (OS) software that is collaboratively developed and copyright-free. Mr. Burden of ABI Research says different vendors can differentiate the appearance of their phones, but if the OS has been developed by one company, and there are restrictions on its modification, the user interface and screen are exactly the same.

In changing this, the efforts of Google and the Open Handset Alliance to promote the nonproprietary Android OS come in for particular mention. "Those people said: This is only a software framework and you as a handset manufacturer have to finish off the framework," says Mr. Burden. "And now you have the ability to make your Android phone different from that guy's Android phone."

In parallel with smarter and more personalized terminals, major traffic-carrying capacity increases mean that the latest generation of mobile networks are able to support much broader service repertoires than until now. In December, Huawei, a Shenzhen, China-based telecommunications equipment maker and TeliaSonera, a Stockholm-based cellphone network operator, jointly announced the deployment in Norway of the world's fastest commercial mobile broadband network. "These fourth-generation services offer maximum speeds of up to 100 megabits a second and are approximately 10 times faster than existing third-generation networks," says Ying Weimin, president of Huawei Long Term Evolution product line.

Services enabled by fourth-generation networks include high-definition video streaming, mobile gaming, high-speed file transfer and life-like videoconferencing.

Another factor driving cellphone usage in new multimedia directions is, while voice and text services still for the moment produce the bulk of cell phone company revenue, they are increasingly low-margin products. Equally bad, from a mobile operator perspective, is the threat to existing revenues posed by Internet-based telephony services such as Skype. "That will be a threat to operators in the same way as it was to operators 10 years ago in the fixed marketplace," says Mark Newman, chief research officer Informa Telecoms & Media, a business intelligence firm based in London.

Default setting

Meantime, the Internet is becoming the default setting for new service and application development, distribution and consumption, and, as Mr. Newman says, mobile users want the same Internet access as wireline users. "The vast majority of a mobile operator's customers in the developed markets use email at home. Why shouldn't they use email on the mobile? One of the biggest single opportunities today is selling access to basic Internet services on a mobile phone," he says.

Mobile multimedia and broadband clearly aren't for everyone, and there are still some major challenges facing companies selling such products. With sharply rising traffic from smart phones, data dongles (small plug-in devices giving laptops wireless access to the Internet) and notebooks with built-in mobile web access, avoiding gridlock on existing networks is one. And further improvements in battery technology may be needed for the wider adoption of rich media services.

But even with such caveats, the global wireless industry looks to be on the threshold of a new era of technological and commercial opportunities.

Illustration by Peter Hoey

Special Advertising Section

Jumping on the mobile-app-store bandwagon

App stores have become one of the wireless industry's must-have channels for marketing anything from games to health monitoring products developed by different ecosystem partners. Apple's online store has been particularly successful, the company reporting three billion downloads for the iPhone and iPod touch in less than 18 months.

With Stamford, Connecticut-based research firm Gartner Inc. forecasting that consumers will spend $6.2 billion in mobile-app stores this year, it's not surprising that many handset vendors, developers and a growing number of operators want in on the action. Among app-store owners now aiming for glory are China Mobile, China Telecom, China Unicom, GetJar, Google, Handango, Handmark, O2, Orange, Palm, Microsoft, Nokia, Research In Motion, Samsung, Telstra and Vodafone.

But app store success may prove elusive. Particularly for mobile operators.

Many single-country mobile operators, for example, face problems of scale. "If you are only in one country you don't attract app developers as readily as if you have a phone that's selling in 30 countries," says Stephanie Baghdassarian, Gartner's Paris-based research director.

JACK GUEZ/AFP/Getty Images

Apple's online store has reported three billion app downloads for the iPhone and iPod touch in less than 18 months.

Nor, according to Windsor Holden, principal analyst at Juniper Research in Basingstoke, U.K., have operators generally had that good a track record in retail, although well-established billing systems — allowing app downloads to be added to regular phone bills — is a clear mobile operator advantage. "Operators already have a billing relationship with end users, so it does make sense for them to leverage their strengths in this way," says Dr. Holden.

Gartner reckons world-wide mobile app stores' download revenue will reach some $29.48 billion by the end of 2013, up from $4.24 billion last year.

According to Ms. Baghdassarian, operators can always partner with existing app store operators.

In practice most apps are free to the end user — 82% of the total in 2010 and 87% by 2013, according to the Gartner forecast.

So what is the best road to profitability? "An increasingly popular model is to offer 'lite' versions of apps free, allowing customers to, say, play the basic version of a game without having to pay for it in the first instance," says Dr. Holden. "The hope is then that they'll upgrade to the paid-for, premium version."

Advertising, sponsorship and apps that are "glorified short-cuts to websites" are among other money makers identified by Gartner's Ms. Baghdassarian. A bank, for example, might use an app to drive traffic to its retail channel. "They're happy to go with a free app that doesn't bring in any money at all — it's more a promotional tool," she explains.

And the value of these and paid-for apps could really skyrocket: Gartner reckons world-wide mobile app stores' download revenue will reach some $29.48 billion by the end of 2013, up from $4.24 billion last year.

The text of this Special Advertising Section was written by John Williamson

We've found
a way to help you
reach for
new heights.
Just like friends who help each other to reach for the sky,
Huawei can do the same for your business.
That's because we pioneer innovations that are based
on our customers' needs: which is why 44 out of the
world's top 50 telcos choose Huawei as a partner.
Proof that with good collaboration, the sky is the limit.
www.huawei.com/mobileworldcongress2010
HUAWEI

THE PROPERTY REPORT

Chinese investors snag properties

Foreigners face local competition that attracts investment, navigates the mainland real-estate market more easily

By Jonathan Cheng

HONG KONG—As some of Wall Street's biggest real-estate investors weigh their next step in China after a bruising downturn, a rush of domestic players are filling the void, raising money and snapping up trophy properties.

The latest proof: **Shanghai Forte Land** Co. agreed last week to pay $328 million to a real-estate principal investment arm of **Goldman Sachs Group** Inc. for 100% of a luxury gated residential community called Shanghai Garden Plaza.

Domestic investors—including listed developers, private-equity players and wealthy individuals—were buyers in 83% of the deals larger than 100 million yuan ($14.6 million) last year, excluding land transactions, according to real-estate brokers CB Richard Ellis. In 2005, foreign buyers took 80% of such deals.

Aggressive domestic competitors are raising onshore bank debt, attracting investment from China's growing pool of domestic investors and moving nimbly to land deals through their network of contacts. Foreign investors, in contrast, typically have a lower tolerance for risk, require approval on deals, and need to get capital in and out through China's tight currency controls.

"Real estate is a highly restricted and regulated industry and the Chinese government has made it increasingly difficult for foreign investors to do deals in recent years," says Joel Rothstein, a Beijing-based partner with the law firm of Paul Hastings, Janofsky & Walker LLP. "If you want to go into a tier-one city, good luck trying to compete against domestic money that can access bank financing and does not have to go through the foreign investor approval process."

The fresh competition has helped stir up a froth in China's property market that some experts warn is an emerging bubble. Land values nationally have increased 106% in the past year, according to Stephen Green, Shanghai-based head of research for Standard Chartered Bank.

Over the past year, foreign funds largely sat on the sidelines partly licking their wounds from problems back home. They also suffered from market volatility. Values fell sharply a few years ago, although they're now bouncing back strongly on the back of government stimulus.

Key senior-management departures hampered big foreign property players. Citi Property Investors and **Merrill Lynch** & Co. both lost their top managers amid company reorganizations. Merrill last year entertained offers to buy management of its $2.65 billion Asian opportunity fund, and **Citigroup** Inc. is now in the midst of selling its global real-estate investment unit.

Others with dry powder waited for distressed opportunities that never came as Beijing's flood of bank lending put a floor on prices early in the financial crisis and allowed domestic buyers to snap up assets.

In one prominent divestiture, Morgan Stanley, a pioneer in China's private-equity real-estate space, sold a 52-story office tower in Shanghai to Beijing-based commercial developer **SOHO China** Ltd. for $360 million last August. Morgan Stanley says it turned a profit on that deal, but SOHO may have done even better. It flipped about a third of the space as office condos to local companies and investors, selling the units through its local sales network aimed at businessmen from Taiwan and Shanghai's neighboring provinces.

Increasingly, competition will also come from players such as Harvest Capital Partners Ltd., a private-equity fund majority owned by state-owned **China Resources Group**. It's aiming to raise $800 million from foreigners for two Chinese retail property funds, boasting ties to China's elite deal makers.

"The past year has shown that having local expertise and backing is a key factor of success in the Chinese real-estate sector," says Jiang Wei, vice chairman of Harvest Capital and a China Resources vice president.

The domestic players are also raising local money to compete. Shanghai Forte, which did the Goldman deal in Shanghai, raised 550 million yuan from wealthy mainland individuals last year for a fund that co-invests alongside Forte's development projects. That fund has invested over 40% of its proceeds in two recent residential projects in the second-tier cities of Chengdu and Nanjing. A Goldman spokeswoman declined to comment on the Shanghai deal.

Thanks to a law passed in 2008, another source of competition is the domestic insurance industry.

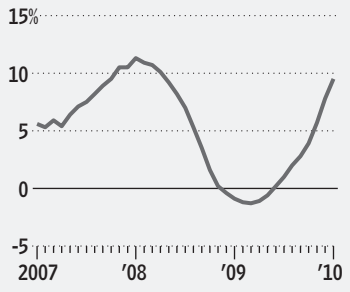
Another source of competition is the domestic insurance industry, which had a law changed in 2008 making it easier to invest in property. **Ping An Insurance (Group) Co. of China** Ltd., one of China's biggest insurers, is plowing 25 billion yuan in Chinese property over the next three years through a trust, partnering with two major developers on new projects. In one of its first deals, Ping An's trust invested 1.6 billion yuan last year in a Shanghai development with domestically listed **Gemdale Group**.

As domestic players gain more clout, non-Chinese real-estate funds are looking for new ways to stay competitive in one of the world's most promising long-term markets.

One possible model for foreigners looking to ramp up again in China is being employed by **Prax Capital Management** Co., a U.S. private-equity firm with its head office in Shanghai. Last year Prax became one of the first foreign firms to win approval to raise a fund denominated in the domestic yuan. Prax didn't respond to requests for comment.

On the rise

Residential property prices in 70 major Chinese cities, change from previous year



Source: National Development and Reform Commission, China

Bloomberg News

Some experts warn of an emerging bubble in China's property market. Above, downtown Shanghai.

Business Real Estate

AUCTIONS

Southern Dist. of FL – Ft. Lauderdale Division
Marika Tolz, Chapter 11 Trustee, Case No. 09-32179-BKC-RBR
Re: The Hideaway Marina Ltd Partnership

Fisher Auction Co., Inc.

U.S. BANKRUPTCY AUCTION
Hideaway Marina
599 South Federal Highway
Pompano Beach, Florida 33062

A 36,700± SF Prefabricated Metal and CBS
Boat Storage Waterfront Marina on 1.59± Acres
168± Unit Capacity *(with current configuration)*
PLUS Waterfront Parcel

THURSDAY • MARCH 18 @ 11 A.M., E.D.T.

For details / bidding qualifications /
property prospectus / property tours

fisherauction.com / 800.331.6620 / 954.942.0917

3% Broker Participation

Lamar Fisher AU93;AB106 Subject to All Terms of Sale

INVESTMENT PROPERTIES

INVESTMENT OPPORTUNITY
EXP. R.E. DEV. in key U.S markets, invites Qualified R.E.investors & private equity firms with PATIENT capital, to invest or J.V. in purchasing distressed, developed LAND based assets in selected U.S.markets at HISTORICAL lows, potential future profit , in currency conversion & assett appreciation, all confidential corresp. & WEBSITE inf. to mgr. at **domaxl@gmail.com**
fax 313-884-2300

TURNKEY INVESTMENT PROPERTY
Finger Lakes Winery
Fifty producing acres, decades of international awards and recognition, for sale. Self contained, debt free operation. 41,000 gallons in bulk wine and 15,000 cases bottled wine production. Consumer retail facility offers multi-bar tasting rooms, gift shop and banquet facility overlooking lake. Winemaking facilities includes fully equipped lab, state of the art equipment and storage. Property includes five bedroom guest house.
Tom Zengen: **845-635-1150**
WWW.THEREALTYSTOP.COM

INVESTMENT PROPERTIES

For Sale

NNN Leases

Principals only

202-337-3344

ForeFront Properties presents:
Prime 8.5 Acre Development Site
Affluent community near-north Chicago,
Touhy & Lincoln, Lincolnwood, Illinois
Zoned B3 (Village Center)
Mixed Use/Investment Opp.
Dave LeCavalier, CCIM
847-272-4030 (x2)

UNITED STATES

A+ High-End Office Building
Center of St. Louis
36 Floors, 92% occupancy, 750K SF, GOI $15M, Cap 11%+
Price $60M ($80/SF)
Oliviagz2002@yahoo.com
626-625-3534

The Continuing Climate Meltdown

It has been a bad—make that dreadful—few weeks for what used to be called the "settled science" of global warming, and especially for the U.N. Intergovernmental Panel on Climate Change that is supposed to be its gold standard.

First it turns out that the Himalayan glaciers are not going to melt anytime soon, notwithstanding dire U.N. predictions. Next came news that an IPCC claim that global warming could destroy 40% of the Amazon was based on a report by an environmental pressure group. Other IPCC sources of scholarly note have included a mountaineering magazine and a student paper.

Since the climategate email story broke in November, the standard defense is that while the scandal may have revealed some all-too-human behavior by a handful of leading climatologists, it made no difference to the underlying science. We think the science is still disputable. But there's no doubt that climategate has spurred at least some reporters to scrutinize the IPCC's headline-grabbing claims in a way they had rarely done previously.

Take the rain forest claim. In its 2007 report, the IPCC wrote that "up to 40% of the Amazonian forests could react drastically to even a slight reduction in precipitation; this means that the tropical vegetation, hydrology and climate system in South America could change very rapidly to another steady state."

But as Jonathan Leake of London's Sunday Times reported last month, those claims were based on a report from the World Wildlife Fund, which in turn had fundamentally misrepresented a study in the journal Nature. The Nature study, Mr. Leake writes, "did not assess rainfall but in fact looked at the impact on the forest of human activity such as logging and burning."

> More embarrassments for the U.N. and 'settled' science.

The IPCC has relied on World Wildlife Fund studies regarding the "transformation of natural coastal areas," the "destruction of more mangroves," "glacial lake outbursts causing mudflows and avalanches," changes in the ecosystem of the "Mesoamerican reef," and so on. The Wildlife Fund is a green lobby that believes in global warming, and its "research" reflects its advocacy, not the scientific method.

The IPCC has also cited a study by British climatologist Nigel Arnell claiming that global warming could deplete water resources for as many as 4.5 billion people by the year 2085. But as our Anne Jolis reported in our European edition, the IPCC neglected to include Mr. Arnell's corollary finding, which is that global warming could also increase water resources for as many as six billion people.

The IPCC report made aggressive claims that "extreme weather-related events" had led to "rapidly rising costs." Never mind that the link between global warming and storms like Hurricane Katrina remains tenuous at best. More astonishing (or, maybe, not so astonishing) is that the IPCC again based its assertion on a single study that was not peer-reviewed. In fact, nobody can reliably establish a quantifiable connection between global warming and increased disaster-related costs. In Holland, there's even a minor uproar over the report's claim that 55% of the country is below sea level. It's 26%.

Meanwhile, one of the scientists at the center of the climategate fiasco has called into question other issues that the climate lobby has claimed are indisputable. Phil Jones, who stepped down as head of the University of East Anglia's Climatic Research Unit amid the climate email scandal, told the BBC that the world may well have been warmer during medieval times than it is now.

This raises doubts about how much our current warming is man-made as opposed to merely another of the natural climate shifts that have taken place over the centuries. Mr. Jones also told the BBC there has been no "statistically significant" warming over the past 15 years, though he considers this to be temporary.

* * *

All of this matters because the IPCC has been advertised as the last and definitive word on climate science. Its reports are the basis on which Al Gore, President Obama and others have claimed that climate ruin is inevitable unless the world reorganizes its economies with huge new taxes on carbon. Now we are discovering the U.N. reports are sloppy political documents intended to drive the climate lobby's regulatory agenda.

The lesson of climategate and now the IPCC's shoddy sourcing is that the claims of the global warming lobby need far more rigorous scrutiny.

The Euro's Greek Moment of Truth

Last Thursday's show of European solidarity for Greece failed to calm the markets or reassure investors in Greek sovereign debt. So the euro-zone's finance ministers are back in Brussels to try again.

It's hard to imagine a country less deserving of solidarity than Greece. Its debt-to-GDP ratio is nearly double that of would-be savior Germany, and the previous government in Athens was actively concealing a 13% budget deficit. Some European leaders are also beginning to understand that there is an even bigger threat to the euro than Greece's public finances. The single currency itself could be dragged down by the consequences of a bailout for one small profligate country.

A default or debt standstill would be disruptive and painful, especially for Greece. But it would also be clarifying about the purposes the euro does—and does not—serve. Above all, the crisis should underscore that the euro is not a debt union. The treaty instruments that established the single currency left no ambiguity on that point, but the mooted bailout of Greece is undermining that resolve. And a debt union, far from bolstering the euro, would destabilize it, perhaps permanently.

It is true that until a couple of years ago most euro-zone sovereign debt traded as if it didn't matter much whether you bought German, Italian or Portuguese bonds. With Greek bonds now trading two to three percentage points above German bonds, which are Europe's benchmark, and Portugal's bond yielding more than one percentage point more than Germany's, the markets are pricing in differential risks of default.

Greek Prime Minister George Papandreou and his Spanish counterpart José Luis Rodríguez Zapatero have chosen to characterize this divergence as the result of an "attack" on their countries or on the single currency. In fact, the widening spreads are nothing more than a belated acknowledgment of reality. Joining the euro did not turn spendthrift governments into sober ones. Greece had enjoyed what appeared to be a free lunch as German interest rates pulled down everyone else's in the currency bloc for a decade.

Investors are starting to sort out which countries have done the most long-term damage to their public finances. It turns out that countries sporting budget deficits north of 10% of GDP and overall debt burdens larger than their national output are good candidates for an early heart attack. Far from being irrational marauding by speculators, this is sensible investor behavior.

Greece's European partners may now be coming to see that there are limits on their own capacity to tap the credit markets as well. A normality of a sort is, in other words, reasserting itself when it comes to investor tolerance for governments that live beyond their means and make promises they can't keep. If Paris and Berlin are smart, they'll grasp the point before they yoke themselves to Greece's debt. Otherwise, the whole euro zone could find itself dragged down by the profligacy of a few.

The Curious Case of Chongqing

The city of Chongqing in southwest China is known for many things—its manufacturing prowess, awful pollution and status as the world's most populous city, with 30 million plus residents. But in the last year it has become famous within China for being the epicenter of one of the largest corruption sweeps in recent memory. To date 1,176 people have been arrested in the crackdown, including 87 government officials—a testament to how seriously the state is willing to fight graft and target those who collude with the mob.

At least that was the message the campaign intended to send. But even a Communist Party-directed court room is not immune to surprises. Over the last few weeks several strange stories have unfolded around lawyer Li Zhuang, who was hired to defend one of the dons in the dock, Gong Gangmo. Mr. Gong's case seemed open and shut until Mr. Li came along. The Beijing-based lawyer prepared to mount an unusually aggressive defense, including advising his client to testify to being tortured while in custody.

> An anticorruption drive goes slightly awry.

The details are murky, but in the end they both ended up in jail. Lawyer Li was charged with falsifying evidence and sentenced last week to a year and a half in jail. Mr. Gong testified against Mr. Li, and was later handed a life sentence for running a gang, whereas several of his colleagues were handed death sentences.

To make matters stranger, Mr. Li announced in court last week after pleading guilty that he had made a deal with prosecutors who then failed to hold up their end of the bargain. Chinese law provides no legal basis for plea bargains, but Mr. Li's sudden about-face (he pleaded not guilty in his first trial, and guilty in the appeal) lends credence to his claim.

We don't know what lines Mr. Li may or may not have crossed trying to prove his client's innocence, but his ordeal is a reminder that in a judicial system that is supposed to put following the Party's "mass line" above legal professionalism it's impossible to have a trial that isn't political. The threat of being charged with falsifying evidence is a great deterrent to criminal defense lawyers who would mount a serious defense.

The anticorruption campaign is not unlike another campaign favored by Chongqing Mayor Bo Xilai—a revival of Maoist slogans. As the crimes of accused mobsters are splashed across national TV in lurid detail (one madam allegedly kept 16 young male consorts) and the heads of top Chongqing officials begin to roll, older audiences will be reminded of the anticorruption drives that accompanied Mao Zedong's first years in power.

But even the showiest trial can't obscure the reason these thugs flourished—they were codependent on corrupt government officials. No matter how many thousands of criminals are put behind bars, that problem will persist until China develops a legal system with independent judges and independent courts that aren't afraid to take on government corruption, regardless of whether it's compatible with the latest political campaign.

Letters To The Editor

* * *

A Missed Opportunity for Sri Lanka

Sri Lankan President Mahinda Rajapaksa's plans sound good on paper ("Sri Lanka Looks to the Future," op-ed, Feb. 4), but until his government and the international community address the dire human-rights situation, the deterioration of the rule of law, and legitimate Tamil grievances, Sri Lanka will remain mired in turmoil.

Mahinda Rajapaksa

More than 7,000 civilians died last year in what the United Nations called a "bloodbath" for which government forces as well as the Tamil Tigers were responsible. Yet the government has reneged on commitments to conduct a serious investigation. The president's ongoing crackdown on civil society, which has continued since election day, has resulted in killings, disappearances and unlawful arrests, and has caused many journalists and rights activists to flee the country.

Were Mr. Rajapaksa sincere about addressing the genuine grievances of all of Sri Lanka's communities, he would permit an independent international investigation into alleged abuses by both sides. And he would end the violence and harassment against peaceful critics of the government. Those concerned about Sri Lanka's future, whether to visit or to invest, should insist that respect for human rights be part of that vision. Only then will the stage be set for true reconciliation and a peaceful and prosperous Sri Lanka.

Brad Adams
Asia Director,
Human Rights Watch
London

It would be naïve to expect anything other than propaganda from a head of state, but the piece by Mr. Rajapaksa is more dangerous than hubris.

The presidential election was certainly quiet by Sri Lankan standards but hardly free and fair. Media outlets critical of the government were shut down, one newspaper editor has been arrested, another is still missing and even the state television station was commandeered by the military.

By writing in The Wall Street Journal Asia, Mr. Rajapaksa is trying to suppress these reports and avert international eyes from his crackdown on critics. The police and army have been purged of would-be threats and the "state of emergency" has been extended. Mr. Rajapaksa is consolidating his grip on the island.

Although he uses run-of-the-mill rhetoric to dismiss critics, the truth is that Sri Lanka needs more help from the international community than an IMF loan. The island might be a middle-income emerging market but inflation and unemployment are high, and the loss of preferential tariffs in the EU will hurt. Hence the feeble attempt to improve his reputation and the plea for aid.

Freedom of speech is a right that everyone should have. But by printing Mr. Rajapaksa's piece, the Journal not only contributes to the erosion of truth but bestows on him something routinely denied to the Sri Lankan media and public: a chance to say what he thinks, however unpalatable it may be.

Asoka Wijeweera
London

Mr. Rajapaksa correctly observes that his country's presidential elections were historic. But if the rest of his blinkered piece is any indication, Mr. Rajapaksa seems poised to miss this historic opportunity.

Mr. Rajapaksa gestures only vaguely toward a political solution and minority grievances, dwelling instead on Sri Lanka's potential for investors and tourists. Certainly economic development is necessary for sustainable peace, but this should neither substitute for nor distract from the critical challenges of reconciliation among the country's multiple communities, implementation of a permanent political solution and the demilitarization and democratization of society.

This last point is deeply concerning. Mr. Rajapaksa seems to believe these most recent elections were "peaceful" and "well-fought." Independent election monitoring centers, however, found more than 900 instances of election violence. Despite the war's end, he makes no mention of implementing parts of the Sri Lankan Constitution that would devolve power to local authorities, giving various communities more of a say.

The demise of the Liberation Tigers of Tamil Eelam signals the possibility of a democratic future for a long-brutalized society. But in its postbellum conduct, the government of Sri Lanka under Mr. Rajapaksa has shown us that terrorism is not the only threat to democracy.

Sashi Selvendran
And Ashwini Vasanthakumar
Lanka Solidarity,
Washington, D.C.

Comments? The Journal welcomes readers' responses to all articles and editorials. It is important to include your full name, address and telephone number. Please send letters to the editor to: **Letters@WSJ.com**

THE WALL STREET JOURNAL. ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*
Published since 1889 by
DOW JONES AND COMPANY

© 2010 Dow Jones & Company. All Rights Reserved

DOWJONES
A News Corporation Company

Major Hasan: The Counterlife

[Global View]

By Bret Stephens

Suppose that on Nov. 4, 2009—the day before he would open fire on his fellow soldiers at Fort Hood, killing 13 and wounding 30—Major Nidal Malik Hasan had been arrested by military police and charged with intent to commit acts of terrorism. Where would his case stand today?

My guess: a public uproar, complete with exacting doubts about the strength of the evidence against him. This would be followed by sage lamentations about how a "Christianist" military had indicted a patriotic Muslim-American simply for having religious scruples about the justice of our wars. Further down the line one can imagine a Pentagon apology, a book contract, a speaking tour.

This scenario is worth thinking about on news that as many as eight officers, most of them doctors at the Walter Reed Army Medical Center, will be censured for failing to monitor, supervise and discipline Maj. Hasan properly as his behavior became increasingly suspicious. The censures will likely bring the officers' military careers to an end. Whether they'll do anything to change the mentality that permitted Maj. Hasan's career to proceed unchecked until he brought it to its ghastly conclusion is another question.

Three salient facts stand out about Maj. Hasan's case. One is that there was no shortage of available evidence prior to the Nov. 5 attack of his militantly Islamist inclinations. Among other details: An ABC story mentions that he once told his supervisor at Fort Hood that "she was an infidel who would be 'ripped to shreds' and 'burn in hell' because she was not Muslim."

Nor was there any shortage of opportunities for the military to put an end to Maj. Hasan's career. He received poor performance evaluations. His colleagues feared he was psychotic and could be a risk to fellow soldiers if deployed to Iraq or Afghanistan. Nothing would have been simpler for the Army than to pass him over for promotion and push him out the door.

Associated Press

He just missed becoming a civil-liberties martyr.

This raises the third salient fact, which is that the Army failed to act. Why?

You won't find much of an answer in the Defense Department's "Lessons from Fort Hood" report, published last month. The report faults "some medical officers" for failing "to apply appropriate judgment and standards of officership with respect to the alleged perpetrator." But it fails to explore just why there was such a failure of officership to begin with when all the lights were blinking red.

Instead, the report dwells at soporific length on how the Army can improve its monitoring mechanisms, such as in Recommendation 2.1: "Develop a risk assessment tool for commanders, supervisors and professional support service providers to determine whether and when DoD personnel present risks for various types of violent behavior."

Creating "risk-assessment tools" is the kind of thing all bureaucracies excel at: It's the proverbial nail for the guy with the hammer. But the core problem exposed by the trajectory of Maj. Hasan's career is less about systems—the protocols by which Colonel X may authorize Captain Y to interface with task force Z—than it is about culture. Or, to be more specific, the intersection of two cultures: the Islamist culture in which Maj. Hasan was radicalized, and the military culture in which his lunatic views went unchallenged.

Much has been said and written about the first culture. About the second, I'm not the first to point out that the Fort Hood report never once mentions the word "Islam." There's a reason for that. Melting-pot institutions like the U.S. military prefer not to dwell too much on the particulars of a soldier's culture: Much of their purpose is to substitute personal belief with common standards of behavior. What a soldier might think about the afterlife is his own affair.

No wonder the Army was uniquely ill-equipped to deal with a problem like Maj. Hassan. Its unease with the issue could only have been compounded by past experience with Muslim soldiers suspected of Islamist sympathies.

In 2003, Capt. James Yee, a Muslim chaplain serving in Guantanamo, was arrested on suspicion of sedition and espionage. Eventually the charges were dropped, officially because of "national security concerns that would arise from the release of the evidence." The political fallout was swift. Sens. Ted Kennedy and Carl Levin demanded a full investigation. "This incident," wrote one terminally outraged blogger, "is particularly noxious at a time when we need to reassure patriotic Muslim-Americans that they are not going to come under clouds of suspicion for their faith or their identity—especially Muslims who are actually serving this country in uniform."

Capt. Yee went on to write a book and cast a nominating ballot for Barack Obama at the Democratic National Convention.

In another life, something similar may have been Maj. Hasan's fate. In another life, eight officers could be under a cloud for casting aspersions on him based only on his identity and beliefs. In another life, too, 13 men and women would be with us today. That they are not reflects more than the failure of eight fall guys. It is a failure, by people far more senior, to heed a more fundamental military command. It's called Know Thine Enemy.

Write to bstephens@wsj.com

Re-Evaluating Her Sense of Self

[Bookshelf]

The Bag Lady Papers
By Alexandra Penney
Voice/Hyperion, 220 pages, $23.99

By Dave Shiflett

Alexandra Penney got burned by Bernie Madoff, losing her life's savings to the Pope of Ponzi. The loss triggered a fear in her that she might become a bag lady. At least she was in good company. The terror of sudden pauperdom, she says in "The Bag Lady Papers," an account of her financial disaster, has also struck Gloria Steinem, Lily Tomlin, Shirley MacLaine "and many other accomplished, well-off women."

Ms. Penney, best known as the former editor of Self magazine and the author of "How to Make Love to a Man," didn't bottom out in the traditional sense, though she does write that she Googled the Hemlock Society, seeking a "painless way to die" after learning that her nest egg had been squashed. The better angels of her world were quick to the rescue. Tina Brown immediately asked her to blog for the Daily Beast; she knocked off a piece for the Sunday Times of London; and she landed a book deal. Friends bearing a $200 bottle of champagne also helped her endure her painful ordeal, which included—the horror!— thinking about selling her house in the Hamptons and actually having to unload a Florida property at a loss.

The Wall Street meltdown that seemed to arrive in tandem with the Madoff scandal sank others in her circle. One couple Ms. Penney knew faced the prospect of leaving New York to move back to Pittsburgh—the equivalent, it seems, of relocating to a spot under a bridge.

For some readers, getting a high-profile blog and a book contract would represent the high-water mark of a career, and the agony of having a few vacation properties to sell would be one they'd happily take on. Yet Ms. Penney's pain seems real enough, especially her poignant recollection of growing up the privileged child of distant parents. She writes in an appealingly plainspoken way—though occasionally veering into melodrama— about gaining a deeper appreciation of life in her post-Madoff circumstances. Having plenty of money is great, Ms. Penney admits, but by losing it she discovered that wealth is "not all it's cracked up to be."

These days she gets by without Botox and serves pizza to dinner guests. And she no longer sees the psychiatrist she once thought of as "my mother and father." A good thing, too: He's the guy who got her into the Madoff fund.

Mr. Shiflett is a writer and musician in Virginia.

OPINION

Fixing Obama's Tibet Bungle

By Kelley Currie

This week's meeting between President Barack Obama and the Dalai Lama is generating an unusually vocal uproar from Beijing. That uproar, for those who listen carefully, is a sign that Mr. Obama's policies on Tibet and China are not working. The question is whether Mr. Obama will realize in time to fix it.

Once the timing of Mr. Obama's meeting with the Dalai Lama became public, Chinese officials threatened to "take corresponding action to make relevant countries see their mistakes." The Obama White House has responded with a confused mixed message: confirming the meeting while trying to reassure Beijing with talk about the larger context of the "mature" U.S.-China relationship.

This contretemps is largely Mr. Obama's own fault. By the time he took office, presidential meetings with the Dalai Lama had become routine to the point where Chinese diplomats seemed to be phoning in their demarches. Mr. Obama could have continued that pattern had he chosen to. Instead, he has turned what would have been a one-day, back-of-the-newspaper blurb about a routine meeting with the Dalai Lama into a major diplomatic and domestic headache.

It wasn't supposed to turn out like this. Mr. Obama's decision not to meet with the Tibetan leader before traveling to Beijing last November was intended to smooth the path toward Chinese cooperation on several issues dear to the President at home: climate change negotiations, yuan revaluation, and trade measures to placate key labor union constituencies. The domestic political connection was clear from the fact that once Mr. Obama decided not to meet the Dalai Lama, he dispatched long-time political aide Valerie Jarrett, not known as a foreign-policy expert, to India to deliver the bad news.

But instead of securing Chinese cooperation, Mr. Obama has signaled that Tibet and the Dalai Lama are political fair game in U.S.-China relations. Beijing has always objected to these meetings, but now believes it has a genuine chance to stop them. Mr. Obama's gratuitous reference to U.S. recognition of Chinese control over Tibet during a joint press conference with Chinese President Hu Jintao in November compounded the error by undermining his call for dialogue.

This commoditization of Tibet, and other human rights issues for that matter, has actually reduced Mr. Obama's leverage over Beijing because it shows he's willing to compromise long-term principles for short-term gains. These self-inflicted wounds were a direct consequence of President Obama's reliance on two mutually reinforcing channels for advice on Tibet and China: a claque of "China experts" who believed excessive deference to Chinese sensitivities on issues such as Tibet is the key to better U.S.-China relations; and a political team with zero China experience who saw better relations with China as key to achieving certain domestic political objectives.

Accommodating China hasn't helped the U.S. Meeting the Dalai Lama is a chance to start over.

The Obama team came into office assuming that the George W. Bush administration's approach on everything, including Tibet, was wrong and that they should do the opposite. Part of their China and Tibet problem has been in misunderstanding what precisely they are reacting against. The robust Tibet policy of the early Bush years fell victim in later years to a much more "realistic" approach that was inclined to accommodate Beijing in hopes of making progress on key aspects of the relationship.

Rather than reversing that second-term policy trajectory, Mr. Obama's team has operated on the conviction that Mr. Bush was not accommodating enough of China on Tibet. In sharp contrast to President Bush's heavy emphasis on his personal relationship with the Dalai Lama when talking to Chinese leaders about Tibet—which signaled to Beijing that they couldn't just make the issue go away—Mr. Obama's Asia policy advisors claimed that not meeting the Dalai Lama prior to his November trip to China would somehow render Mr. Obama a more effective advocate on behalf of Tibet. He also would be better able to secure Beijing's cooperation on a raft of "more important" issues.

It is clear now that this hasn't worked. China sabotaged a climate deal at the Copenhagen summit in December; has yet to take helpful action on the currency; and recently proposed tariffs on U.S. poultry in retaliation for Mr. Obama's own protectionism. Meanwhile Mr. Obama has lost leverage on Tibet itself.

Mr. Obama's meeting with the Dalai Lama may be an attempt to change course. But it is equally possible this is just another example of posturing for either domestic or Chinese consumption. If this week's meeting is such a political gesture, it will be a huge missed opportunity.

President Obama should use this meeting to start a serious course correction. America's commitment to freedom and human rights is its real comparative advantage vis a vis China, and a China policy firmly rooted in core American values is not only the most morally satisfying approach but also potentially the most effective. If President Obama can start by taking a more consistent and principled approach on Tibet, he could yet recover his footing on China.

Ms. Currie is a senior fellow with the Project 2049 Institute, a Washington-based think tank.

Iran's Emerging Military Dictatorship

By Amir Taheri

At first glance, Iran's Supreme Leader Ayatollah Ali Khamenei might seem a happy man. The pro-democracy movement had promised that last Thursday, the 31st anniversary of the Islamic Revolution, would be a turning point for the cause of freedom. But Mr. Khamenei's regime contained the mounting opposition.

The Islamic Revolutionary Guard Corps (IRGC) controlled Tehran with the help of tens of thousands of club-wielding street fighters shipped in from all over the country. Opposition marchers, confined to the northern part of the city, were locked into hit-and-run battles with the regime's professional goons. An attempt at storming the Evin Prison, where more than 3,000 dissidents are being tortured, did not materialize. The would-be liberators failed to break a ring of steel the IRGC threw around the sprawling compound.

The Revolutionary Guard now has more power than the Islamic Republic's Supreme Leader.

With the Internet shut down and foreign radio broadcasts jammed, the regime imposed its own version of events. State television showed large crowds chanting "Death to America" while marching in front of giant portraits of the Supreme Leader.

And yet, despite all of this, Mr. Khamenei's message thanking the pro-regime marchers after the "glorious events of the day" had a surprisingly subdued tone. He has reason to feel unhappy.

For the first time the regime had to transform Tehran into a sealed citadel with checkpoints at all points of entry. The IRGC was in total control. Code-named "Simorgh," after a bird in Persian mythology, its operation created an atmosphere of war in the divided city. Warned that his life may be in danger, Mr. Khamenei was forced to watch the events on TV rather than take his usual personal tour.

To ensure control of Tehran, the regime had to abandon plans for celebrations in other parts of the country. Only 20% of Iranian towns and cities and less than 9% of villages had the privilege of marking the anniversary of the revolution.

The transformation of the Khomeinist regime from theological despotism into military dictatorship started almost a decade ago. And as a keen student of Islamic tradition, Mr. Khamenei must know that history is repeating itself.

All Islamic states in history were initially built around an individual claiming divine legitimacy, first the Prophet himself and then a caliph. All have ended by losing that legitimacy and maintaining their power by force.

Even the most successful Islamic dynasties—such as the Umayyids, the Abbasids and the Fatimids—came to depend on mercenaries known as the Mamluks, who were recruited from pagan tribes of Central Asia. Often the Mamluks seized power by murdering the caliph or keeping him as a puppet.

The IRGC is a modern version of the Mamluks. Their leaders are more strident than many of the regime's leaders, vetoing countless attempts by mullahs and politicians to reach a compromise with the portion of the opposition still calling for reform rather than regime change. Revolutionary Guard generals frequently appear on television to call for mass arrests and show trials. A weak and indecisive caliph, Mr. Khamenei has so far refused to endorse the kind of "final solution" the generals demand.

Associated Press

Revolutionary Guards parade outside Ayatollah Ruhollah Khomeini's mausoleum, Sept. 21, 2008.

Abroad, the Revolutionary Guard pursues an aggressive policy aimed at "filling the vacuum" the generals hope will be created when the U.S. disengages from Iraq and Afghanistan by funding terrorist groups and their political front organizations. The IRGC has reportedly created a special desk to monitor the coming parliamentary elections in Baghdad and Kabul with the aim of helping pro-Tehran elements win power.

The generals also reject any compromise on the country's nuclear program. With the entire program under their control, it is not far-fetched to suggest that even Mr. Khamenei might not quite know what's going on.

President Barack Obama's hopes for a dialogue with Tehran, repeated Sunday by Secretary of State Hillary Clinton during a visit to Qatar, sound increasingly surreal. Mrs. Clinton's announcement that the U.S. might allow one more year for the elusive dialogue to materialize unfortunately undermined her tougher talk Monday about sanctions. One thing is certain: The regime, now dominated by the Revolutionary Guards, will settle for nothing less than total victory on the nuclear issue.

Mr. Khamenei has other reasons to be unhappy. According to the Ministry of Labor more than a million jobs have "vanished" in the past 12 months thanks to President Mahmoud Ahmadinejad's populist policies. In the same period, the nation's currency, the rial, has lost a quarter of its value against a basket of other oil-based currencies in the region.

Some foreign companies with long histories of aiding Iran are beginning to understand that the regime, while not on the verge of collapse, is vulnerable. A consortium led by the Austrian oil company OMV has withdrawn from multibillion-dollar projects designed to ship Iranian natural gas to Pakistan, India and Europe. Germany's Siemens has terminated all of its activities in Iran, ending a presence dating to 1875. A group of Malaysian investors recently walked out of a scheme to help Iran sell government bonds on the global capital market. A plan for creating two new Turkish banks to help their Iranian counterparts beat U.S.-imposed sanctions has been abandoned.

Countries such as Spain, Austria, Greece, Dubai and Malaysia that have helped Iran beat sanctions for years are beginning to review their policies. Overall trade between Iran and the European Union fell by 13% in 2009. Even China is showing concern. Scheduled talks with Iran about building 10 oil refineries and at least five nuclear-power stations remain frozen.

For three decades major democracies, including the U.S., have attempted to persuade the regime to change aspects of its behavior. The subtext was that the West would turn a blind eye to the regime's repression inside Iran as long as it behaved more responsibly abroad.

This has not worked. Perhaps it is time to reconsider regime change as a possibility. Even so-called realists must concede that the Khomeinist establishment, under the emerging leadership of the IRGC, is not the only actor on the Iranian scene. There is another actor: the popular movement for change. To ignore the democrats and fail to support them in clear and strong terms would be a sign of poor political judgment—even under the most cynical version of realpolitik.

Mr. Taheri's new book, "The Persian Night: Iran Under the Khomeinist Revolution," is published by Encounter.

AFGHANISTAN: MARJAH OFFENSIVE

Marine is shot in head, walks away

By Michael M. Phillips

MARJAH, Afghanistan—It is hard to know whether Monday was a very bad day or a very good day for Lance Cpl. Andrew Koenig. On the one hand, he was shot in the head. On the other, the bullet bounced off him.

In one of those rare battlefield miracles, an insurgent sniper hit Lance Cpl. Koenig dead on in the front of his helmet, and he walked away from it with a smile on his face.

"I don't think I could be any luckier than this," Lance Cpl. Koenig said two hours after the shooting.

Lance Cpl. Koenig's brush with death came during a day of intense fighting for the Marines of Company B, 1st Battalion, 6th Regiment.

The company had landed by helicopter in the predawn dark on Saturday, launching a major coalition offensive to take Marjah from the Taliban.

The Marines then set up an outpost in a former drug lab and roadside-bomb factory and soon found themselves under near-constant attack.

Lance Cpl. Koenig, a lanky 21-year-old with jug-handle ears and a burr of sandy hair, is a designated marksman. His job is to hit the elusive Taliban fighters hiding in the tightly packed neighborhood near the base.

The insurgent sniper hit him first. The Casper, Wyo., native was kneeling on the roof of the one-story outpost, looking for targets.

He was reaching back to his left for his rifle when the sniper's round slammed into his helmet.

The impact knocked him onto his back.

Bryan Denton for The Wall Street Journal

Lance Cpl. Andrew Koenig shows the spot where a Taliban bullet struck his helmet. He was uninjured.

"I'm hit," he yelled to his buddy, Lance Cpl. Scott Gabrian, a 21-year-old from St. Louis.

Lance Cpl. Gabrian belly-crawled along the rooftop to his friend's side. He patted Lance Cpl. Koenig's body, looking for wounds.

Then he noticed that the plate that usually secures night-vision goggles to the front of Lance Cpl. Koenig's helmet was missing. In its place was a thumb-deep dent in the hard Kevlar shell.

Lance Cpl. Gabrian slid his hands under his friend's helmet, looking for an entry wound. "You're not bleeding," he assured Lance Cpl. Koenig. "You're going to be OK."

Lance Cpl. Koenig climbed down the metal ladder and walked to the company aid station to see the Navy corpsman.

The only injury: A small, numb red welt on his forehead, just above his right eye.

He had spent 15 minutes with Doc, as the Marines call the medics, when an insurgent's rocket-propelled grenade exploded on the rooftop, next to Lance Cpl. Gabrian.

The shock wave left him with a concussion and hearing loss.

He joined Lance Cpl. Koenig at the aid station, where the two friends embraced, their eyes welling. The men had served together in Afghanistan in 2008, and Lance Cpl. Koenig had survived two blasts from roadside bombs.

"We've got each other's backs," Lance Cpl. Gabrian said, the explosion still ringing in his ears.

Word of Lance Cpl. Koenig's close call spread quickly through the outpost, as he emerged from the shock of the experience and walked through the outpost with a Cheshire cat grin.

"He's alive for a reason," Tim Coderre, a North Carolina narcotics detective working with the Marines as a consultant, told one of the men. "From a spiritual point of view, that doesn't happen by accident."

Gunnery Sgt. Kevin Shelton, whose job is to keep the Marines stocked with food, water and gear, teased the lance corporal for failing to take care of his helmet.

"I need that damaged-gear statement tonight," Gunnery Sgt. Shelton told Lance Cpl. Koenig. It was understood, however, that Lance Cpl. Koenig would be allowed to keep the helmet as a souvenir.

Sgt. Shelton, a 36-year-old veteran from Nashville, said he had never seen a Marine survive a direct shot to the head.

But next to him was Cpl. Christopher Ahrens, who quietly mentioned that two bullets had grazed his helmet the day the Marines attacked Marjah. The same thing, he said, happened to him three times in firefights in Iraq.

Cpl. Ahrens, 26, from Havre de Grace, Md., lifted the camouflaged cloth cover on his helmet, exposing the holes where the bullets had entered and exited.

He turned it over to display the picture card tucked inside, depicting Michael the Archangel stamping on Lucifer's head. "I don't need luck," he said.

After his moment with Lance Cpl. Gabrian, Lance Cpl. Koenig put his dented helmet back on his head and climbed the metal ladder to resume his rooftop duty within an hour of being hit.

"I know any one of these guys would do the same," he explained. "If they could keep going, they would."

Capture of official deals setback to Taliban

Continued from first page

the Taliban are under greater pressure than they have faced in years on both sides of the border between Afghanistan and Pakistan. A series of well-publicized offensives in Afghanistan, including this week's Marjah assault, has pushed the Taliban from much of Helmand River Valley, a region of southern Afghanistan that had been largely under insurgent control for years.

More quietly, U.S. and allied special forces have in recent months stepped up secretive operations and killed or captured at least a half dozen mid-level military and political leaders in southern Afghanistan, said a senior U.S. commander in Afghanistan.

The situation in southern Afghanistan—the Taliban's spiritual and, until recently, geographical heartland—has become so tenuous for the militants that their field commander in the region, Abdullah Gulam Rasoul, better known as Mullah Zakir, is now working from Pakistan and rarely ventures across the border.

Only a few months ago, Taliban militants were touting Mullah Zakir as their answer to U.S. Army Gen. Stanley McChrystal and the American surge.

Beyond the south, coalition forces also recently captured the Taliban's so-called "shadow governor" of Laghman province, the official said.

"A lot of these guys are talking," he said.

The Taliban, for its part, is denying that Mullah Baradar has been arrested. Spokesman Qari Yusuf Ahmadi called the reports an attempt by the U.S. to deflect attention from what he said was the Taliban's successful defense of Marjah. However, coalition field reports indicate the militants in Marjah are cornered and running low and food and ammunition.

The Pakistan Taliban, an offshoot of the Afghan movement that is loosely tied to the Quetta Shura, is similarly under pressure. It lost the Swat Valley and much of the South Waziristan tribal area, two major strongholds, in Pakistani military offensives last year.

The Pakistan branch also saw its founder killed in an August missile strike by a U.S. drone aircraft. His successor may have been killed in another drone strike in January, although U.S. and Pakistani officials haven't been able to confirm the death.

The biggest surprise for many U.S. officials—and possibly for the Taliban, too—was Pakistan's lead role in seizing Mullah Baradar.

Cooperation between the ISI and the Central Intelligence Agency stretches back to the Soviet Union's occupation of Afghanistan in the 1980s, and the two agencies, working together, have netted a number of major al Qaeda figures since 2001.

The drone campaign, run by the CIA, has also leaned heavily on the ISI and in the process decimated the middle ranks of al Qaeda.

Agence France-Presse/Getty Images

Papers at this Karachi newsstand on Tuesday reported Mullah Baradar's arrest.

But U.S. officials have long complained that Pakistan was far less helpful when it came to the Taliban, consistently refusing to act on American-provided intelligence about the whereabouts of the Taliban's supreme leader, Mullah Muhammad Omar, as well as Mullah Baradar and other Taliban leaders.

As recently as October, an ISI officer said in an interview with The Wall Street Journal that the Quetta Shura was a "American myth" and that neither Mullah Baradar nor Mullah Omar spent any time in Pakistan.

Pakistan's reluctance to act led many U.S. officials to believe it viewed the Taliban as a potential proxy to help combat the growing influence of archrival India in Afghanistan, especially for after an eventual American withdrawal.

U.S. officials were still trying Tuesday to figure out what prompted Pakistan's apparent change of heart on Mullah Baradar, who was caught in the teeming Arabian Sea port of Karachi, a city of 16 million people, where many Taliban leaders are believed to have taken refuge in recent months, fearing the U.S was preparing to strike in Quetta.

A Western diplomat in Pakistan said the arrest could be seen in light of other recent Pakistani overtures on Afghanistan, where the Pakistanis have signaled an increased willingness to cooperate with American efforts.

This month, for instance, the chief of Pakistan's military, Gen. Ashfaq Kayani, offered to help train Afghan soldiers.

But the Pakistanis have strongly hinted there will be a price for their cooperation: the limiting of Indian influence in Afghanistan, where New Delhi is a major development donor.

"We can do a lot of things by working together closely," said one ISI official when asked about the arrest. He didn't elaborate.

As for why the Pakistanis grabbed Mullah Baradar, the ISI official said this was the first time they had been able to find him—an explanation dismissed by many U.S. officials.

The other big question about the capture of Mullah Baradar is where he stands on the possibility of peace talks over the future of Afghanistan—and how his arrest could affect efforts to bring the Taliban to the negotiating table on terms acceptable to the Afghan government and its Western backers.

Some U.S. officials said they believed Mullah Baradar was more inclined to talk than Mullah Omar. Pakistanis may see him as their way into peace talks, which they have expressed an interest in helping push along.

—Zahid Hussain in Islamabad contributed to this article.

EUROPE'S DEBT CRUNCH

Dollar leap caught market off guard

Euro's recent slide upends forecasts for a weak U.S. currency; sentiment has 'changed dramatically'

A dramatic turn in sentiment in favor of the dollar and against the euro in recent weeks is throwing a monkey wrench into the plans of corporations and investors who were betting on a weak dollar.

*By **Tom Lauricella, Dave Kansas** and **Andrew Batson***

The U.S. currency hit a nine-month high against the euro this week following five straight weekly gains against the common currency. Lingering fears of a possible European debt crisis have overshadowed nervousness about the American economy and the huge U.S. budget deficit.

On Tuesday, the euro gained back some ground, climbing to $1.3708 in morning New York trading from $1.36 late Monday. Improved global market sentiment spurred investors to embrace risk-positive currencies, including the euro, and euro-zone finance ministers tried to reassure markets that Greece's fiscal concerns would be kept under control.

But John McCarthy, manager of currency trading at ING Capital Markets in New York, said "it's just a matter of time" before the euro again succumbs to the unresolved issues of Greek debt.

Even with Tuesday's gains, the euro remained down 4.3% against the dollar since Jan. 1, and down 9.5% from its level of $1.5144 on Nov. 25.

Among investors, the question a few months ago wasn't whether the U.S. dollar would decline in value, rather how far and how fast.

But sentiment has flipped on the world's two major currencies. Greece's woes amid a soaring deficit have exposed the fragility of the 16-nation euro zone's government finances and the Continent's recovery.

The European Central Bank is now seen as having to delay interest-rate increases in order to prop up growth, while the U.S. Federal Reserve appears on track to begin tightening credit sooner rather than later. Higher rates tend to draw investment into a currency, all things being equal, thus boosting the dollar's prospects over the euro's.

In addition, moves by China's central bank to limit the amount of credit in that fast-growing economy are raising concerns about a global rebound that was seen favoring commodity-linked currencies such as the Australian dollar or Brazil's real.

While rallying against the euro, the dollar remains relatively weak against the Japanese yen. The level of 90.23 yen Tuesday morning was well below the 94 range where it traded for most of 2009.

The dollar's rebound has done little to diminish Westerners' calls on China to revalue its currency, the yuan, which is essentially pegged to the dollar and seen by many as undervalued and a risk to the global economy.

Many economists say they expect the Chinese government to allow the yuan to rise slightly against the dollar some time this year. Markets are pricing in a roughly 2.4% gain over the next 12 months. U.S. Treasury Secretary Timothy Geithner said recently he thinks it is "quite likely" that China will let the currency move.

China largely has brushed off international pressure thus far to revalue. But it may be swayed by rising inflation, and a desire to fend off a risk of an overheating economy. A rise in the yuan would cool the economy by making imports cheaper and exports more expensive.

Suddenly, the U.S., with its 5.7% economic growth rate in the fourth quarter, is shaping up as a haven again.

Dollar sentiment has "changed dramatically," said Claire Dissaux, head of global economics and strategy at Millennium Global Investments in London.

For the dollar, a multiyear downward trend was interrupted in 2008 by the financial crisis. Global investors sought a haven in dollar cash and in U.S. Treasury bills, causing the dollar to rise in value.

But as the panic ebbed in 2009, the dollar went into a slump.

That decline, coming after the largely American-created financial crisis and amid China's rise as a global economic power, revived discussions about the dollar losing its status as a "reserve" currency favored by world investors.

Traders piled into bearish bets that the dollar would fall, bidding up commodities—which are priced in dollars—and the stocks of commodity producers.

At the end of 2009, Partners Capital, a private-investment firm with offices in Boston and London, surveyed more than 120 investment sources and experts to craft its 2010 outlook, and calculated the likelihood of a dollar rally at 15%.

"The consensus was not anticipating a strong dollar through the first half of 2010," says Steve Pearson, head of G-10 currency trading at Bank of America Merrill Lynch in London.

In October, when the euro was trading at around $1.45, traders surveyed by Dow Jones Newswires were anticipating the euro would rally against the dollar to about $1.485 on June 30, 2010. By December, expectations had dropped to $1.42. The most recent survey in February showed traders now expect the euro will be about $1.36 as of June 30.

According to data compiled by Scotia Capital, traders were net short the euro—meaning on balance they were betting it will would decline—by a record $9.9 billion on Feb. 9.

That is a 31% increase from the previous record set a week before. Traders were net long U.S. dollars by $7.9 billion, on a par with levels last seen during the financial crisis.

—Neil Shah and Bradley Davis contributed to this article.

FEDERAL RESERVE NOTE
THE UNITED STATES OF AM
THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE
H64833782
ONE DOLLAR

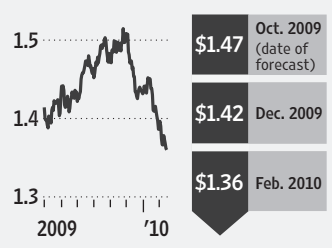
Greenback gains

The U.S. dollar, charted against a basket of currencies

Sources: Thomson Reuters via WSJ Market Data Group; Associated Press (photo)

Shifting strength

How many dollars one euro buys



*Survey of currency strategists
Sources: Thomson Reuters via WSJ Market Data Group; Dow Jones Newswires (survey)

EU officials urge Greece to address budget woes

Continued from first page

economic risks remain. Public-sector unions and others in Greece have resisted the government's proposed cuts. "We're encouraged by fact that we are moving fast in terms of institutional changes that need to happen," Mr. Papaconstantinou said.

Mr. Rehn said the EU statistical authority has demanded answers from Greece by Friday—earlier than expected—about how it used and accounted for currency swaps and other derivative instruments related to its debt. Articles in Der Spiegel and the New York Times have suggested that Greece, with the help of investment banks, employed the swaps to mask its debt levels.

"If confirmed that some investment banks have been involved in these kinds of exercises, we have to see whether to do something in respect to it," Mr. Rehn said. News reports have named **Goldman Sachs Group** Inc. as a bank that helped to structure the deals.

Mr. Rehn said investment banks "should also ask, not least after the financial crisis, if this has been in line with the code of ethics of these investment banks." He said that he had been reading the memoirs of former U.S. Treasury secretary and Goldman chief Henry Paulson, which "underlined very strongly the need for ethics" in banking. "I think that's a very forceful message," Mr. Rehn said.

In other business at the meeting, finance ministers heard a presentation from the new internal-markets commissioner, Michel Barnier. Mr. Barnier said the EU should press forward on its proposals for unified financial supervision and tighter regulation of hedge funds and other alternative-investment managers. He said he believed compensation structures at financial institutions would encourage less risk-taking.

Finance ministers also discussed global financial regulation, particularly the notion—advanced by the U.S. and known as the Volcker rule—that deposit-taking banks should be restricted in making risky trading bets.

"I think it is very important that on both sides of the Atlantic there should be the same proactive approach," Mr. Barnier said at a news conference after the meeting. But "you can't just transpose or copy ideas or reforms proposed by Obama for the European continent."

—Joe Parkinson contributed to this article.

AFP/Getty Images

A flier on the door of Greece's General Accounting Office announces a strike by employees slated to start on Tuesday.

THE WINTER OLYMPICS: VANCOUVER 2010

Chinese reign in pairs figure skating

Nation's athletes earn gold and silver, ending Russia's more-than-four-decade dominance of the sport

By Geoffrey A. Fowler And Phred Dvorak

VANCOUVER, British Columbia—The era of Russian dominance in Olympic pairs figure skating is over.

On Monday night, Chinese teams swept both gold and silver medals by executing nearly flawless skating programs after their rivals from Germany and Russia stumbled on the ice.

Russia or the Soviet Union had won gold in pairs at every Olympics since 1964, but didn't manage to medal in Vancouver.

Gold medalists Shen Xue and Zhao Hongbo, who are married, became the champions after a romantic free skate performance featuring many of the sport's most difficult moves, including the triple toe and double Axel-double Axel sequence.

Their teammates Pang Qing and Tong Jian actually earned the highest marks of the evening's free skate with perfectly synchronized spins and leg angles, but were five points behind Ms. Shen and Mr. Zhao after Sunday's short program. After their silver-medal winning performance, Mr. Tong bent down and kissed the ice.

For Ms. Shen and Mr. Zhao, the win caps a long elusive chase for Olympic gold. They won bronze in 2002, but Mr. Zhao injured himself in 2006 and the couple again won only bronze at the Turin Games. In 2007, they announced plans to get married at the World Figure Skating Championships, and then announced their retirement.

"When I hold her in my arms, I don't have to pretend I love her," said Mr. Zhao, in an interview session in Beijing before leaving for Vancouver. "I do."

In their absence, Ms. Pang and Mr. Tong—who won silver on Monday—became China's top pairs team.

But last year, Ms. Shen and Mr. Zhao changed their minds about retirement. "We felt we still had something left and got in touch with Lori," Mr. Zhao said, referring to their choreographer, Lori Nichol of Canada.

After their Vancouver win, Mr. Zhao said he would now move on. "I think it is hard to continue skating, so maybe it is time to have a baby," he told reporters on Monday night. At age 36, he's the second-oldest athlete to win gold in figure skating, after Walter Jakobsson of Finland in 1920. Ms. Shen, at 31, is the 10th-oldest person to medal in the sport.

The gold medalists might be heading back into retirement. After Shen Xue and Zhao Hongbo's win in Vancouver, Mr. Zhao said it may be time for the married couple to start a family.

Germans Aliona Savchenko and Robin Szolkowy managed a bronze medal after a performance with seamless choreography in which Mr. Szolkowy nonetheless fell during a double Axel. "The pressure built up itself in your mind," Mr. Szolkowy. "Maybe it was too much."

Ingo Steuer, their coach, told reporters that the ascendance of Chinese in the sport was welcome. "It's good for the sport that we have somebody else on the list," he said. "The next Olympics are in Sochi, and for sure the Russians will find a couple to bring back the gold."

China's Shen Xue and Zhao Hongbo perform in the pairs free skating figure-skating event in Vancouver on Monday.

Reuters

Georgia mourns young athlete killed on luge track

By Samantha Shields

BAKURIANI, Georgia—Nodar Kumaritashvili grew up in this quiet mountain town dreaming of athletic fame. The son of a Soviet-era luger, he took up the daredevil sport in his early teens, mastered it in Europe and became a hometown hero, ranked 44th in the world.

Then in Canada, on the eve of his Olympic moment, he stared down the world's fastest luge course and became terrified, his father said.

"He called me before the Olympics...and he said, 'Dad, I'm scared of one of the turns,' " David Kumaritashvili said.

Nodar Kumaritashvili, 21 years old, died during a training run Friday after losing control of his luge on the final bend of the course and slamming into a steel support at 145 kilometers per hour. His loss sent this country of nearly five million people into mourning and stirred controversy over who was at fault.

A coroner's investigation backed by the International Luge Federation said the accident, hours before Friday's opening ceremony in Vancouver, was the result of human error. Officials have since raised the barriers at the curve where the athlete came off the course and moved the men's starting point to the women's to cut down speed.

As Georgian officials worked to bring the athlete's body home, President Mikheil Saakashvili objected to the federation's judgment. "I don't claim to know all the technical details," he said, "but one thing I know for sure: No sports mistake is supposed to lead to death."

Associated Press

David Kumaritashvili shows a photo of his son, Nodar Kumaritashvili, the Georgian luger killed in Vancouver.

He said a new luge track would be built in Bakuriani and named in Mr. Kumaritashvili's honor.

Bakuriani, a close-knit ski-resort community of about 3,000 people set high in the Caucasus Mountains about 175 kilometers west of Tbilisi, the Georgian capital, expects a deluge of mourners at the burial site beside its small Georgian Orthodox church.

On the town's ramshackle main street, traders selling ski equipment and local delicacies who knew the dead athlete said they were in shock, and they blamed the accident on the fast track.

"He came from a sporting family and he knew what he was doing. Everybody's crying; he was our lad," said Giorgi Avakyan, 55, at his ski-rental stall.

David Kumaritashvili declined to be drawn into the dispute over the cause of his son's death and bristled at a question on whether the family would sue to hold officials responsible.

"What lawsuit? What kind of person would do that?" he asked. "My son is dead and that wouldn't bring him back."

Recalling the phone conversation the day before the tragedy, Mr. Kumaritashvili said he had offered some advice to his apprehensive son.

"I said put your legs down on the ice to slow down, but he said if he started the course he would finish it....He was brave," the father said.

Nodar Kumaritashvili started training in 2003. He attended a camp in Germany because Bakuriani's luge track fell into disrepair during the early 1990s, when Georgia fought wars over its breakaway regions.

He later trained extensively in France and other European countries. "He was ready for the Olympics. He was a real clean-living sportsman," said his friend David Kukosuvili.

Georgian teammates and officials held a private service for the luger Monday at a Vancouver funeral home. Then his casket was taken to the airport to be flown home for burial, the Associated Press reported. Georgian officials said they had arranged for the body to be flown to Germany and then to Bakuriani, where a funeral could take place later this week.

Georgia's recent Olympic history has been somber, and the next Winter Olympics is likely to remind Georgians of the country's brief 2008 war with Russia. That conflict, over the breakaway Georgian region of South Ossetia, erupted just before the opening of the Summer Olympics in Beijing and, for Georgians, cast a pall over the Games. Russia had backed secessionists in South Ossetia and another Georgian region, Abkhazia.

Georgia's athletes decided to stay and compete in Beijing, winning six medals, including three golds. After their teammate's death in Canada, seven Georgian athletes marched wearing black armbands in Friday's opening ceremony. They have yet to win a medal.

Russia will host the 2014 Winter Olympics in the Black Sea resort of Sochi, 19 kilometers from the border with Abkhazia.

EMI looks to sell former Beatles' haunt Abbey Road Studios
MARKETS 22

Greece's crisis a reminder of how little has been done
HEARD ON THE STREET 31

BUSINESS & FINANCE.

Wednesday, February 17, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Toyota and its black box

Getting recorder data from Japanese car maker is tough; firm says device is experimental'

By Dionne Searcey And Kate Linebaugh

The safety problems that have engulfed **Toyota Motor** Corp. are focusing renewed attention on one of the most controversial components in a car: the black box.

The box, officially called an "event data recorder," is a small, square, virtually indestructible container akin to the one found on commercial airplanes. Tucked inside the dash or under a front seat of most newer vehicles, it records vehicle and engine speeds as well as brake, accelerator and throttle positions and other data that can help determine the causes of accidents.

Now, lawyers and safety advocates are stepping up efforts to get access to the information stored inside Toyota's vehicles in the hope it will shed light on what is causing several Toyota models to speed up suddenly, sparking the recall of millions of vehicles. U.S. highway-safety officials said Monday they were reviewing nine new cases of fatal crashes, involving 13 deaths, potentially linked to Toyotas that may have sped up unintentionally.

Plaintiffs' lawyers and their clients in auto-accident cases say they have butted heads with Toyota over access to its black-box data, or have gotten data from the company that shed little light on the causes of the crashes at issue. Among the problems: Only Toyota can read the black-box information in its vehicles, and it says it makes the data available only when requested to do so by law-enforcement officials, federal regulators or court order.

Roberts & Roberts Law Firm

A Toyota technician installs a shim in a 2010 Corolla accelerator pedal as part of a fix to allay sticky-accelerator concerns..

Police and lawyers say Toyota sometimes fights their efforts to use black-box data, saying in part that the data may not be useful in accident reconstruction and has contained errors. The device is a prototype and "is still experimental," responds Toyota spokesman Mike Michels. "We have found anomalies in the data that are part of our development of the system. It is our position that it is not reliable for accident reconstruction."

Safety regulators also cast some doubt on the value of black-box data in determining an accident's cause. The recorders "are of limited value in crash investigations because they record only a few parameters and only in the last couple of seconds prior to a crash," said a U/S. Transportation Department official.

U.S. auto makers **General Motors** Co., **Ford Motor** Co. and

Please turn to page 20

Auto maker to increase disclosures and testing

By Norihiko Shirouzu

Toyota Motor Corp. is considering ways to bolster procedures for checking the quality and reliability of cars and to do more to publicize incremental changes to cars already on the market.

Stung by global criticism after a series of high-profile recalls, the company is aiming to announce changes to its quality and disclosure practices in coming days, in advance of congressional hearings on the company's safety record in Washington next week and Chief Executive Akio Toyoda's scheduled trip to the U.S. early next month, according to two top company executives.

Toyota on Tuesday also said it plans to idle production temporarily at assembly plants in Texas and Kentucky while it grapples with massive recalls in the U.S.

Toyota has recalled 8.5 million vehicles globally during the past four months because of problems with gas pedals, floor mats and brakes.

The company scheduled a news conference for Wednesday evening at the auto maker's Tokyo office. The company said the briefing, to be held by Mr. Toyoda and quality chief Shinichi Sasaki, "will report on its progress...in its approach to quality." A Toyota executive familiar

Please turn to page 20

Morgan Stanley comes to crossroads on Japan hotels

By Alison Tudor

TOKYO—**Morgan Stanley** may have to hand over the keys of a $2.4 billion Japanese hotel chain to creditors when the debt falls due in April, people familiar with the matter said.

Morgan Stanley was among the most aggressive buyers of real estate in Japan and globally during the property boom of last decade. Now, many of those deals made at the top of the market are dogging the U.S. investment bank as property values plummet and refinancing options remain scant.

The main lenders in the Japanese hotel purchase, **Citigroup** Inc. and Japan's **Shinsei Bank** Ltd., are pushing Morgan Stanley to put more equity in the property to give the devalued holdings more security, but the company has hesitated.

A third lender on the property—sovereign-wealth fund **Government of Singapore Investment Corp.**, or GIC—has expressed interest in taking over the full-service hotels from Morgan Stanley and is discussing terms with the other lenders, one of the people said. Morgan Stanley's equity investment would be wiped out in the settlement, the sources said.

In June 2007, the Morgan Stanley Real Estate Funds unit, known in the industry as MSREF, completed the acquisition of 13 hotels and two property-management units known as ANA from All Nippon Airways Co. at a value of 281.3 billion yen, or $2.4 billion at the time. That was shortly before property values started to fall in Japan. The biggest hotel in chain is the ANA InterContinental Tokyo.

The talks between Morgan Stanley and its creditors are continuing and nothing has been decided yet, but the debt deadline is looming. There has been no resolution to date because the bankers hope Morgan Stanley will put more equity into the hotels and are afraid of pushing too hard, in case the U.S. investment bank chooses to walk away and leave them in charge of the assets.

The refinancing comes at a delicate time, particularly for Shinsei, which is in talks to merge with its Japanese peer, Aozora Bank Ltd. Negotiations on that deal have stalled partly because Aozora is worried about Shinsei's capitalization, which is lower than its own, people familiar with the matter have said. Shinsei is reviewing its portfolio of loans including domestic real-estate-related lending. Japan's financial regulator is also conducting a routine inspection of the Tokyo-based bank's loan book and has called for strict markdowns even on senior debt, a person familiar with the matter said.

Morgan Stanley's fraught negotiations illustrate a wider trend in Asia's largest property market. Bankers aggressively pushed real-estate loans in Japan between 2004 and 2007. The loans were often repackaged and sold to other banks. The flood of loans encouraged property funds to bid ever-higher prices for hotels, ski resorts and office space across Japan.

Near the height of the boom, Morgan Stanley announced its biggest push yet into the Japanese market, the package of ANA hotels. The deal was the biggest hotel acquisition by value on record in the Asian-Pacific region and one of the largest property-related acquisitions in the region, according to date provider Dealogic.

Citigroup and Shinsei lent Morgan about 180 billion yen in senior debt to make the purchase. GIC provided mezzanine financing, a mix of debt and equity, which is next in line to get wiped out after Morgan Stanley's equity if the Singapore fund doesn't do something to protect its stake, said the people familiar with the matter.

Morgan Stanley's property business was one of the bank's biggest revenue generators in Japan at the

Please turn to page 23

Agence France-Presse

Intercontinental Hotel Tokyo, one of 13 hotels owned by Morgan Stanley.

Kasai lays out train plan

JR Central chairman ramps up effort to sell shinkansen technology to Florida project

By Mariko Sanchanta And Yoshio Takahashi

TOKYO—The chairman of **Central Japan Railway** Co. said the company is aiming to work with U.S. companies such as **General Electric** Co., as part of an aggressive bid to see its platypus-billed shinkansen whiz its way through the state of Florida.

At the same time that the company is aggressively ramping up to do business in the U.S., Yoshiyuki Kasai, the 69-year-old head of JR Central, said in an interview Monday that he will never try to sell his world-leading product in China—a strategy at odds with many Japanese companies focusing increasingly on their rapidly growing neighbor.

"It's not possible to export our trains to China. They would steal our technology and they would not respect it," said Mr. Kasai, who has worked in Japan's rail business for 48 years and has become a larger-than-life figure who doesn't mince his words, a rarity in corporate Japan. Known as an outspoken nationalist, he said bluntly: "The risks are too high—if there was an accident they would blame us and it would be the end."

"JR East uses the cheap version of their train in China. I told them not to do it," Mr. Kasai added, referring to **East Japan Railway**, an independent company operating the shinkansen in central and northern Japan. JR Central and JR East are two of six former state-owned rail companies privatized in 1987.

Bloomberg News

Yoshiyuki Kasai is bidding to build a shinkansen train in Florida.

Mr. Kasai also took a swipe at global competitors, notably French firms looking to export their own high-speed railway systems. "In France, if a train is five minutes late, then it's just on time. In Japan, if it's one minute late then it's late," said Mr. Kasai, who got his master's degree in economics from the University of Wisconsin-Madison in 1969. "In 45 years of operation, we have had 4.5 billion passengers and zero casualties as a result of a train accident."

A spokeswoman for French engineering company **Alstom** SA, a major French train maker, declined to comment.

Mr. Kasai is vying to export the N700I version of the shinkansen to the U.S. If his bid is successful, it would mark the first time its total system—including the track, rolling stock, signal equipment and railway management systems—would be used outside of Japan.

A big U.S. contract could also be good for the firm's bottom line. The shinkansen remains one of Japan's enduring technological icons and is renowned for its punctuality—trains arrive to the minute—and its efficiency. JR Central's high-speed connection between Tokyo and Osaka is one of the few profitable train routes in the world, and accounts for 80% of the company's revenue.

President Barack Obama announced last month the recipients for an $8 billion plan to develop high-speed rail throughout the U.S. Of that amount, $1.25 billion is earmarked to construct a high-speed link between Tampa and Orlando, which Mr. Kasai says is the most promising area in the U.S. to use shinkansen technology.

A decision on the successful bidder is to be decided later this year.

Mr. Kasai said that close to a dozen firms in Japan would benefit if JR Central won the bid to build its bullet train in Florida, including **Nippon Steel** Corp., **Sumitomo Metal Industries** Ltd., **Hitachi** Ltd., **Nippon Sharyo** Ltd., which makes rolling stock, **Toshiba** Corp. and **Mitsubishi Electric** Corp.

JR Central is marketing two types of trains in the U.S.: the shinkansen, which travels as fast as 330 kilometers per hour; and the magnetic-levitation, or maglev, train, which can run up to 581 kph, but is more expensive and in only limited use so far.

China indicts ex-Gome chairman

By Andrew Browne

BEIJING—Huang Guangyu, once China's richest man, has been formally indicted on charges of insider trading, illegal business dealings and bribery.

The charges were brought on Friday, according to a statement posted on a Web site operated by the Supreme People's Procuratorate. They come almost 15 months after Mr. Huang's detention in November 2008. His wife and brother have also disappeared, although there was no word on whether they too had been indicted.

Mr. Huang, a rags-to-riches entrepreneur, built **Gome Electrical Appliances Holdings** Ltd into China's largest electronics retailer. The Hurun Report, which publishes the China Rich List, estimated his wealth in 2008 at $6.3 billion.

Huang Guangyu

He got his start by buying cheap radios and other electrical gadgets and hawking them on the streets of Beijing.

Gome stores became a hit with consumers by offering rock-bottom prices. After Mr. Huang's arrest, Gome's chief executive, Chen Xiao, stepped in as chairman and successfully steered the company through its crisis, attracting investment from **Bain Capital**. Mr. Huang still retains a one third stake in the company.

In addition to Gome, Mr. Huang also built his own private business empire, including an extensive real estate operation. State media reports have suggested that his troubles stem from those activities.

Authorities have taken action against scores of officials linked to Mr. Huang's case, including a former deputy **Shanghai police** chief.

Kraft posts higher profit, offers Cadbury outlook

By Anjali Cordeiro

Kraft Foods Inc. reported a jump in its fourth-quarter profit amid moderating commodity prices and efforts to slash costs. The company also said it will push to bring down its debt levels in coming months.

The maker of Kraft cheese, Oreo cookies, Oscar Mayer lunch meat and Planters nuts reported a profit of $710 million, or 48 cents a share, up from $178 million, or 12 cents a share, a year earlier.

The prior year had 37 cents a share less in restructuring costs and a net 11 cents in additional earnings from hedging efforts.

The packaged-food company recently clinched its £11.9 billion ($18.6 billion) deal to buy U.K. gum and candy maker **Cadbury** PLC after months of sparring. Kraft on Tuesday said it expects the acquisition of Cadbury will add five cents a share to 2011 earnings, and long-term earnings growth of 9% to 11%, compared with the prior long-term forecast of up to 9%.

Chief Executive Irene Rosenfeld and her management team are now faced with the task of integrating two large global businesses. Kraft said it will name the top executives to manage the new business in the next 45 days.

Ms. Rosenfeld said the deal would allow the company to expand its margins, and invest more on research and marketing.

In the latest quarter, revenue increased 3.2% to $11.03 billion, but rose just 0.4% excluding divestitures, acquisitions and currency fluctuations. Volume gains were largely offset by lower prices for cheese products.

At Kraft's U.S. cheese business, revenue fell 14%, mostly because of lower prices as it passed along significantly reduced dairy costs. However, earnings still rose 7.4% on cost cutting.

For all of North America, organic revenue dropped 2.7%, but earnings jumped 50%.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Alstom....18
Aurobindo Pharma....31
Australia & New Zealand Banking Group....25
Bain Capital....18
Bank Negara....23, 25
Bank of America....25
Barclays....23, 25
Bernstein Research....25
Bharti Airtel....22, 25
Biocon....31
Cadbury....18
Central Japan Railway..18
Chevron....25
China Resources Group 10
Chrysler Group....17, 20
Citigroup....10, 17, 22
Daiwa Securities Group....22
Deutsche Bank....25
DJS Associates....17
Dr. Reddy's Laboratories....31
Dubai World....31
East Japan Railway....18
Econent Wireless Holdings....22
EMI Group....22
Eurosibenergo....23
Facebook....21
Fannie Mae....29
Fletcher Building....25
Ford Motor....17
Foster's Group....21
Freddie Mac....29
Gemdale Group....10
General Electric....18
General Motors....17
Glenmark Pharmaceuticals....31
GO_2 Water....6
Goldman Sachs Group....10, 15
Gome Electrical Appliances Holdings..18
Google....21
Government of Singapore Investment Corp....17
Hitachi....18
Honda Motor....17, 20
Indotambang....25
InterContinental Hotels Group....17, 23
Japan Petroleum Exploration....25
Jupiter Telecommunications....21, 25
KDDI....21, 25
KKR Financial Holdings29
Kraft Foods....18, 25
Liberty Media....21
L'Oreal....25
Marubeni....25
Matrix Laboratories....31
Merck &....25
Merrill Lynch....10
Mitsubishi Electric....18
Mobile Telecommunications..22
Morgan Stanley....17
MTN Group....22
National Australia Bank....25
Nippon Sharyo....18
Nippon Steel....18
Nissan Motor....17, 20
OneSteel....25
Pfizer....31
Ping An Insurance (Group) Co. of China..10
Polygon Investment Partners LLP....29
Prax Capital Management Co....10
Ranbaxy Laboratories..31
Rio Tinto....5
Robert Bosch....17, 20
Royal Dutch Shell....19
Schering-Plough....25
Shanghai Forte Land....10
Shinsei Bank....17
Sky City....25
Société Générale....25
SOHO China....10
Strides Arcolab....31
Sumitomo....21, 25
Sumitomo Metal Industries....18
Sumitomo Metal Mining....25
Tata Group....22
Terra Firma Capital Partners....22
Terra Industries....25
Tetragon Financial Group....29
Toshiba....18
Toyota Motor....17
UC Rusal....23
Vedanta Resources....25
Westpac Banking....25
Xstrata....25
Yara International....25

People

This index lists the names of businesspeople and government regulators who receive significant mention in Today's Journal.

Agius, Marcus....23
Butler, Shawn....20
Chidambaram, Palaniappan....6
Deripaska, Oleg....23
Diamond, Robert E. Jr..23
Droga, Marcus....25
Ezal, Bulent....20
Gordon, Brad....25
Green, Stephen....10
Griege, Charles W. Jr...29
Guangyu, Huang....18
Hands, Guy....22
Hardy, Monty....20
Henry, Simon....19
Inadome, Katsutoshi....24
Iwashita, Mari....5
Jackson, Todd....21
Jakobsson, Walter....16
Jiang Wei....10
Johnson, Scott....29
Johnston, Ian....21
Kasai, Yoshiyuki....18
Kraushaar, Barbara A...20
Lucas, Chris....23
McCarthy, John....15
Michels, Mike....17
Nichol, Lori....16
Osawa, Yoshio....21
Perrett, Dan....29
Potter, Ben....25
Roberts, Randy....20
Rosenfeld, Irene....18
Rothstein, Joel....10
Ruskin, Alan....29
Ruth, Richard....20
Sasaki, Shinichi....17
Singh, Manmohan....6
Slavik, Donald....20
Soewondo, Gatot....23
Steuer, Ingo....16
Suzuki, Shigeharu....22
Szolkowy, Robin....16
Thin, Win....29
Toyoda, Akio....17
Varley, John....23
Voser, Peter....19
Watanabe, Katsuaki....20
Wijers, Hans....19
Yap Tjay Soen....23

Corrections & Amplifications

The last name of Jason Hirschhorn, who was promoted to co-president of **News Corp.**'s **MySpace**, was misspelled as Hirschorn on second reference in a Corporate News article in the Feb. 12-16 edition about the departure of MySpace's chief executive.

Ge Minqiang, one of four employees of **Rio Tinto** PLC indicted by Chinese prosecutors on Feb. 10, met earlier that day with his lawyer's assistant. A Feb. 11 page-one article about the indictments incorrectly said that it was the lawyer himself, Zhai Jian, who met with Mr. Ge.

Take-Two Interactive Inc.'s chairman, Strauss Zelnick, was incorrectly referred to on second reference as Mr. Strauss in a Feb. 11 Corporate News article about videogame publishers.

Shell plans cut in executive pay

Potential stock compensation increases

By James Herron

LONDON—**Royal Dutch Shell** PLC on Tuesday proposed changes to how it pays its executive directors, in an attempt to assuage concerns that led shareholders to reject its remuneration package last year.

The proposals constitute a significant step toward greater pay restraint at one of the world's largest companies at a time when excessive awards to executives, particularly at banks, are a political hot potato.

For 2009 and 2010, the salaries of Shell Chief Executive Peter Voser and Finance Chief Simon Henry will be 20% lower than those paid to their predecessors, according to proposals outlined in a letter from the chairman of Shell's remuneration committee, Hans Wijers. Former CEO Jeroen van der Veer had a 2008 base salary of about $2.6 million, while Mr. Voser, as finance chief, had a base salary of about $1.4 million. That was the final year both men were in those positions.

However, the maximum shares the CEO could be awarded under the performance-related long-term-incentive program would be increased from two times to three times salary, "thereby providing greater alignment with shareholders' interests," Mr. Wijers said in the letter, which is on the company's Web site.

Shell has broadened the criteria by which this performance is assessed. Formerly, the only measure was comparing shareholder return against Shell's peer group of integrated oil companies. This has now been broadened to include earnings per share, net cash flow from operations and oil and gas production.

"Shell has handled this well," said Erik Breen, head of responsible investment at Shell-shareholder Robeco Investment Management, who was outspoken in his criticism of Shell at last year's annual general meeting. **Standard Life** PLC, which was the first major investor to come out against Shell's executive pay last year, was involved in consultations leading to the proposals and will study them carefully, a spokesman said.

The main concern that led shareholders to reject last year's pay package, in a nonbinding vote, was that directors were awarded a share bonus despite missed performance targets. The new proposals would prevent the remuneration committee from doing this, the letter said, although only for 2010. "In future, there will be no use of upward discretion in the vesting of these plans without prior shareholder engagement," said Mr. Wijers.

Associated Press

Shell has proposed cutting the salaries of CEO Peter Voser, left, and Chief Financial Officer Simon Henry.

Asia Society®

20th Asian Corporate Conference

March 18–20, 2010 | Taj Palace Hotel | New Delhi, India

INVESTMENT INNOVATION
INDUSTRY SUSTAINABILITY
INFRASTRUCTURE

POWERING ASIA'S ASCENT

Invited Opening Keynote Address:
Manmohan Singh, Prime Minister, India

For information and registration details, visit: **AsiaSociety.org/conference10**

Program Contact (U.S.): Maria Gibson, Asia Society | T: 212.327.9370 | F: 212.517.8315 | E: delhi2010@asiasoc.org

Program Contact (India): Anu Bakhshi, Asia Society | T: +91.9810071177 | E: anubakhshi@asiasociety.org.in

CO-ORGANIZERS: The Wall Street Journal. Asia — Print • Online • Mobile; CII Confederation of Indian Industry

CORPORATE BENEFACTOR: Warburg Pincus

CORPORATE CONTRIBUTOR: Mahindra

CORPORATE SUPPORTERS: Chatterjee, Eveready, Genpact, Goldman Sachs, HDFC Bank, JK Lakshmi Cement Ltd., McLarty Associates, TAJ, WM

CORPORATE NEWS

Toyota's woes shine a spotlight on black boxes

Continued from page 17

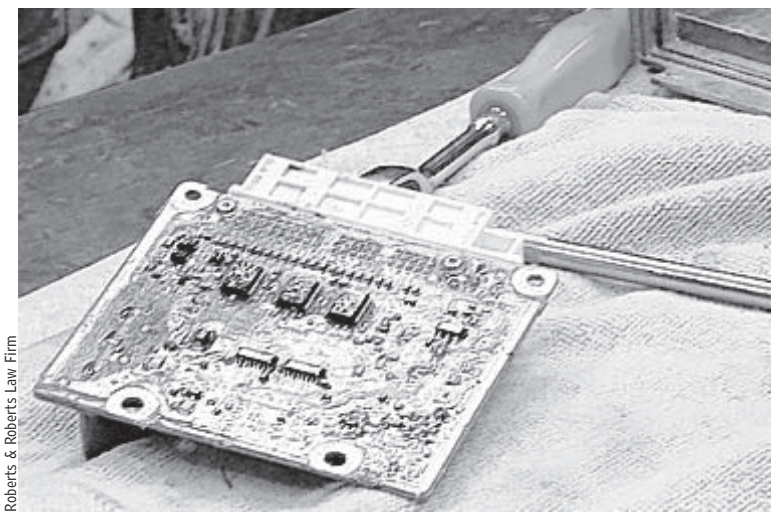
Chrysler Group LLC have provided their black-box data formats to Bosch Diagnostics, a unit of German auto supplier **Robert Bosch** GmbH, which makes tools that download crash logs from the auto makers' vehicles. Those tools are widely used by police, crash investigators and attorneys, and the auto makers don't question the accuracy of the data retrieved with them.

Licensing the data formats to allow a third party to retrieve black-box data "is an efficient means of facilitating direct access" by government agencies, GM spokesman Alan Adler said in an email.

Richard Ruth, a safety and black-box expert who worked at Ford for 33 years, said making the data accessible to investigators and law-enforcement officers often works to the benefit of auto makers. "In some cases, the data works against the auto maker, but in the vast majority of cases it is helping to take out fraudulent and trumped-up claims" in lawsuits, he said.

Toyota, like Japanese peers **Honda Motor** Co. and **Nissan Motor** Co., has a proprietary black-box system, and it says the data it collects isn't intended for—or capable of—accident reconstruction because it is only recorded for a short duration, about one second. The system mainly monitors the performance of a vehicle's safety devices, such as air bags, seat belts and, in some cases, throttle application. Toyota says there is no legislation requiring otherwise until a new NHTSA rule comes into effect later in the decade.

Police in Auburn, N.Y., have asked Toyota to try to recover data from the black box in a 2010 Toyota Camry, hoping to shed light on the cause of a fatal accident on Nov. 27.



Roberts & Roberts Law Firm

The black box above is from a Toyota Avalon involved in a December crash.

According to police, 55-year-old Barbara A. Kraushaar drove through three downtown stoplights at high speed and crashed into another vehicle, killing its driver, Colleen Trousdale. Police say Ms. Kraushaar, who survived the accident, may have had a stroke.

Mr. Kraushaar later told officers it was like the car had a mind of its own, prompting them to investigate whether sudden acceleration may have played a role.

Getting data from the black box is "the last key to the puzzle," said Auburn Police Lt. Shawn Butler.

According to the Auburn police, an investigator from the National Highway Traffic Safety Administration arrived in town and took the Camry's data recorder, saying he planned to take it to California, where Toyota has its U.S. headquarters, so their expert could download the data, along with that from several other black boxes from crashes.

The NHTSA didn't respond to requests for comment on the incident.

Lt. Butler said he is concerned that Toyota, which could potentially be at fault in the accident, is the only party able to read the data. "We're at their mercy, and it doesn't give you a good feeling," he said.

The auto industry's use of electronic data recorders began in the early 1990s to record the conditions in cars before air bags deployed. Their use has expanded in the past decade, and they now collect a wider variety of data.

The most-advanced recorders can present a picture of how a car was operating in the five seconds before a crash, and they can help auto makers understand how their vehicles operate on the road in the absence of mechanical evidence. As auto makers added more electronics to control brakes, steering, gas pedals and other parts, some of the systems were improved to help monitor the controls in the seconds surrounding impact.

In 2006, the NHTSA set black-box standards and issued a rule that if a manufacturer equips a vehicle with a black box, then it must also make available to car owners the tools to download and read the data. Auto makers have pushed back the implementation of the rule by one year to Sept. 1, 2012, the start of the 2013 model year. And the Alliance of Automobile Manufacturers, an industry trade group that includes Toyota, last year requested another one-year delay, citing the adverse economic climate.

Toyota says it intends to comply with the rule.

Toyota is now under intense scrutiny because of complaints that its cars can accelerate without the driver hitting the gas pedal. The issue forced the company to recall six million vehicles in the U.S. to fix two potential causes. One recall involves rubber floor mats that can catch on the gas pedal and hold it down; the other involves the gas pedal, which can get stuck or let up slowly under certain conditions.

Sudden acceleration is suspected in several fatal accidents involving Toyotas, and some plaintiffs' attorneys in those cases are seeking access to the vehicles' black boxes.

In 2007, Bulent Ezal was pulling into the parking lot of a cliff-side restaurant in Pismo Beach, Calif., when his 2005 Camry surged, went over the bluff and crashed on rocks 70 feet below. Mr. Ezal, 75, survived, but his wife, who was in the passenger seat, was killed.

"The car took off with force, pushing me back into my seat and cleared the curb," Mr. Ezal said in an interview. "The last thing I remember is my wife screaming, and I was looking at the clear blue sky."

Police could find no mechanical fault and concluded Mr. Ezal must have been to blame, said Donald Slavik, an attorney representing Mr. Ezal in a 2007 lawsuit filed against Toyota in California state court in San Luis Obispo. Mr. Slavik said he has been trying to get data from the car's black box for nearly three years. He said Toyota would provide the data only if Mr. Slavik got a court to order the company to do so. Mr. Slavik said Toyota has since told him the data in the black box would be unusable.

On one recent occasion, Toyota retrieved black-box data from a car involved in a fatal crash, but law-enforcement officers said the information was inconclusive.

On Dec. 26, Monty Hardy, 56, was driving three passengers in his 2008 Toyota Avalon on Lonesome Dove Drive in Southlake, Texas, when the car ran through a stop sign at about 45 mile an hour, crashed through a fence, struck a tree and landed upside down in a pond, according to a police report. All four occupants were killed.

Mr. Hardy was on medication for epilepsy but had been cleared by his doctors to drive. His autopsy didn't indicate he had had a seizure. Randy Roberts, an attorney hired by Mr. Hardy's wife, Linda, said the Hardys had taken the car to their Toyota dealer before the crash, complaining the car accelerated suddenly.

According to police reports, the Toyota investigator tapped into the car's black box and said the only data it contained was the difference in the car's speed immediately before and after crashing.

"I don't believe it for one minute," said Mr. Roberts, the attorney.

Mr. Michels, the Toyota spokesman, confirmed a Toyota representative did download the data in the Southlake crash and said he didn't know whether the data were usable. He declined to comment further because the probe is continuing.

LEGAL NOTICES

CLASS ACTIONS

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MAKOR ISSUES & RIGHTS, LTD., *et al.*,	)	
Plaintiffs,	)	Case No. 02-C-4356
vs.	)	
TELLABS, INC., *et al.*,	)	Honorable Amy J. St. Eve
Defendants.	)	

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED THE COMMON STOCK OF TELLABS, INC. DURING THE PERIOD FROM DECEMBER 11, 2000 THROUGH JUNE 19, 2001, INCLUSIVE (THE "CLASS").

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the above-captioned action has been certified as a class action.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED BY THIS ACTION. A full printed Notice of Pendency of Class Action is currently being mailed to known Class Members. If you have not yet received the full printed Notice, you may obtain copies of this document by contacting:

Tellabs Securities Litigation
c/o Analytics Incorporated
Notice Administrator
P.O. Box 2004
Chanhassen, MN 55317-2004
(866) 535-1626
www.tellabssecuritieslitigation.com

Inquiries, other than requests for the Notice, may be made to Plaintiffs' Lead Counsel:

Richard H. Weiss
MILBERG LLP
One Penn Plaza
New York, NY 10119-0165
(212) 594-5300

If you are a Class Member, you have the right to decide whether to remain a member of the Class. If you choose to remain a Class Member, you need do nothing at this time. You will automatically be included in the Class. If you are a Class Member and do not exclude yourself from the Class, you will be bound by the proceedings in this Action, including any orders or judgments of the Court, whether favorable or unfavorable, past, present, or future.

If you ask to be excluded from the Class, you will not be bound by any order or judgment of this Court, and you will not be entitled to a share of any money which may be recovered for the benefit of the Class. To exclude yourself from the Class, you must submit a written request for exclusion postmarked no later than **May 10, 2010**. Further information concerning requests for exclusion can be found in the full printed Notice.

Further information may be obtained by directing your inquiry in writing to the Notice Administrator.

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS

Toyota to boost tests, disclosure

Continued from page 17

with the outline of the talk said it will offer more detail on a new global task force Mr. Toyoda has said he will lead to overhaul the company's quality-control issues.

It wasn't clear how much more of the change Toyota is considering will be detailed at the briefing. It will be Mr. Toyoda's third news conference on the issue in less than two weeks. A Toyota spokesman declined to comment on what would be announced Wednesday.

In the late 1990s and early 2000s, the company streamlined the vehicle-development process, skipping steps such as making physical prototypes, to save time and money and to be more responsive to rapidly changing consumer preferences.

Mr. Toyoda's predecessor, then-President Katsuaki Watanabe, in 2006 told company engineers to rely less on virtual engineering or computer-aided design tools and take more time to make more physical prototypes to verify component and vehicle quality and reliability. The measure, which was implemented in response to a sharp rise in the number of recalled vehicles in the U.S. and around the world in 2005, added as much as six months to projects that normally called for roughly two to three years of development lead time.

Now, as part of the soul-searching prompted by the latest quality crisis, the company is "revisiting the issue again," a senior Toyota executive said.

As part of that broader effort, Toyota engineers may be asked in some cases to verify the "robustness" of design changes they make during and after the product-development process, the executive added.

Currently, those engineering changes, some of which are proposed by parts suppliers, are approved by Toyota engineers without conducting physical tests, although some are tested physically by the suppliers. "That has to change," the executive said, pointing to a possible move by the company to do more physical checks to implement even small design changes.

Mr. Sasaki, the quality officer, said earlier this month that the auto maker's massive recall may also prompt it to alter the way designers scrutinize parts for quality and reliability.

Mr. Sasaki said defective accelerator pedals, which were identified last month as a cause of sudden unwanted acceleration, were susceptible to moisture, in some cases causing them stick in the depressed position.

Mr. Sasaki said the reliability of individual components is always regularly checked. But "we need to do those checks more thoroughly," including looking at how those components are affected by the climate inside the car.

Toyota also is considering a new level of disclosure about engineering changes it might make to cars after a model goes on sale.

Such changes are made for a variety of reasons: to make the vehicle easier to assemble, to boost the quality of a new car, or in response to consumer complaints about vehicle performance. In some cases, hundreds of engineering changes are made to a new vehicle after it is introduced into the marketplace.

Until now, most of those incremental design changes haven't been announced to the public. In some cases they are classified as "consumer actions," in which modifications are made to vehicles quietly when customers go to dealers to service vehicles. Toyota has been criticized in recent weeks for making design changes in response to customer complaints about sudden acceleration without disclosing more broadly to owners of the affected vehicles that they could also have such problems.

"We're preparing to make those running changes—what we might call problems with below-recall-level seriousness—more transparent to the public, to disclose information on those much like the way more-serious safety problems are handled in the government-coordinated recall process," one of the top Toyota executives said.

—The Associated Press contributed to this article.

Sumitomo bids for more Jupiter

Offer challenges Japanese telecom KDDI

By Daisuke Wakabayashi And Hiroyuki Kachi

TOKYO—An unusually public and testy competition for control of Japan's largest cable TV operator has broken out between a leading trading company and the country's second-largest telecom carrier.

Trading company **Sumitomo** Corp. Monday said it will launch a tender offer of up to 122.18 billion yen, or $1.36 billion, to lift its holdings in **Jupiter Telecommunications** Co. to 40% from 27%.

The bid comes three weeks after **KDDI** Corp., Japan's No. 2 telecom carrier by subscribers and other measures, said it would pay about $4 billion to buy a 38% stake in Jupiter from **Liberty Media** Corp. of the U.S.

A Sumitomo executive said Monday he was surprised by KDDI's move last month.

"It seems that there were all sorts of discussions completely outside of our knowledge. Then, to make an announcement like that, we were honestly stunned," Yoshio Osawa, who heads Sumitomo's media division, said in a briefing with reporters and analysts. "Currently our relationship with KDDI is a blank sheet."

Sumitomo is offering 139,500 yen per Jupiter share, a 55% premium to Jupiter's closing share price on Monday of 90,000 yen.

For KDDI, Sumitomo's harsh tone is another potential headache in what would be the company's biggest-ever acquisition and the largest Japanese telecom deal in four years. The acquisition of a stake in Jupiter was intended to advance KDDI's strategy to bundle Internet, phone and TV services to better compete with former state monopoly Nippon Telegraph & Telephone Corp.

But it has proved difficult even before Sumitomo's offer. KDDI last week agreed to put part of its stake in a trust to keep its control of Jupiter below one third to address concerns by regulators about the legality of its transaction. By reducing its stake, KDDI ceded the right to veto management decisions.

KDDI said Sumitomo's tender offer won't have an impact on its own agreement to take a stake in Jupiter, also known as J:Com. The deal is still expected to close Feb. 19 as scheduled, KDDI said.

A KDDI spokesman said it has no ill will toward Sumitomo. He said its lack of communication with Sumitomo wasn't done to catch the trading company by surprise, but a consequence of its secret negotiations with Liberty. Also, KDDI said the goal of the deal wasn't to be the company's top shareholder, but to tap into Jupiter's customer base of 3.27 million subscribers.

A Liberty spokesman declined to comment.

Japan's interwoven network of businesses and a corporate culture, which shuns confrontations, makes public clashes between companies rare, especially when they involve two large and well-known companies like Sumitomo and KDDI.

Sumitomo said its decision to raise its stake in Jupiter had nothing to do with KDDI, adding it was a management decision based on the view that it was important to maintain a leading interest in J:Com. Sumitomo said it had been supporting J:Com for the past 15 years as if it were the company's leading shareholder, adding that largest shareholder Liberty was a silent partner. J:Com's top executives often come from Sumitomo.

—Jeffrey McCracken contributed to this article.

Google changing Buzz after privacy concerns

By Jessica E. Vascellaro

After taking steps to stem the public backlash against its social-networking service Buzz, **Google** Inc. is planning further updates and considering changing how it tests new Buzz features.

Google product manager Todd Jackson said in an interview Monday the number of people initially uncomfortable with the service underscored that the company's approach of testing Buzz among its employees hasn't been sufficient.

"Getting feedback from 20,000 Googlers isn't quite the same as letting Gmail users play with Buzz in the wild," Mr. Jackson said. "We needed to launch to the public and get feedback from users."

Mr. Jackson said Google might test features with friends and family of Google employees. Further refinements, including features that help people filter what postings they see and block certain conversations, are also in the works, he noted.

His remarks came days after Google announced a major concession to people who have raised concerns that Buzz didn't do enough to protect their privacy.

The Buzz service, which Google launched last week and integrated with Gmail, allows users to share postings with friends and to view and comment on items their friends share, making it a potential rival to **Facebook** Inc.

Since then, Google has said it would no longer automatically subscribe users to follow the postings of their close Gmail contacts, a move that had spooked many people into believing Buzz was publicizing their private relationships. Instead, after reviewing users' Gmail contacts, it would only suggest people that users should follow but leave whether to do so up to them.

The company has also announced steps to make it easier to disable Buzz altogether and said it would no longer connect Buzz to Picasa photo albums and Google Reader items automatically.

"We are treating this as a code red in the Gmail release process," Mr. Jackson said.

Wine unit hurts Foster's profit

By Cynthia Koons

SYDNEY—**Foster's Group** Ltd. on Tuesday said its first-half net profit dropped 14%, after management had warned in December that the recession and exchange rates were hurting its wine division.

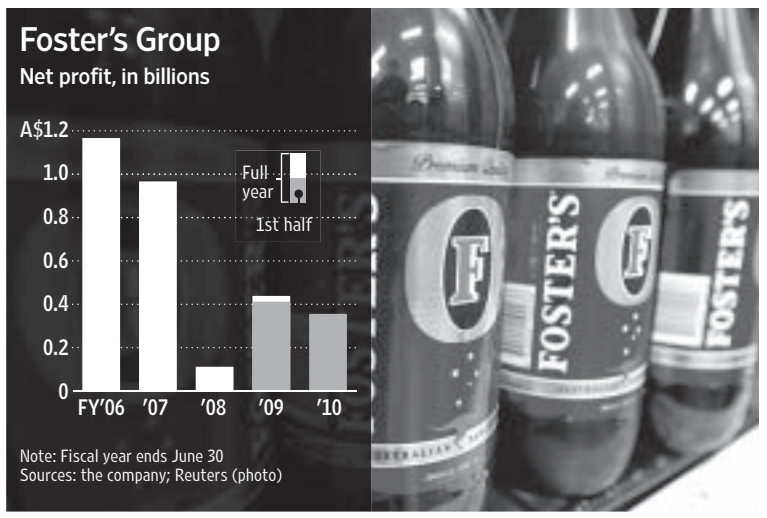
Foster's reported net profit of 355.7 million Australian dollars (US$316.2 million) for the half year ended Dec. 31, down from A$411.3 million a year earlier and less than expectations for A$380.6 million, according to a Dow Jones Newswires poll of five brokers. Total operating revenue for the half year fell 4.7% to A$2.4 billion.

Almost a year after Foster's said it was structurally separating—but not demerging—its wine division in an effort to improve its performance, it said net sales of wine fell in every region, amounting to a 14% decline in earnings before interest, tax and SGARA, or self-generating and regenerating assets, for that division.

In the Americas alone, net sales of wine fell 62% from the prior year, while in the Europe, the Middle East and Africa, net sales revenue fell by 76% from a year earlier. Currency rates cut A$83 million from the unit's earnings in the period.

"Restructuring can and often fails to achieve a fundamental improvement in a business," Macquarie analysts said in a research note.

While the group said it would separate the wine and beer divisions, Chief Executive Ian Johnston said on a conference call Tuesday that the group is leaving all of its options open. "We will of course continue to evaluate all structural options that are consistent with shareholders' interest," he said, adding nothing has been ruled out.



Management, Mr. Johnston said, is interested in maximizing the company's performance and retaining all of its options in the process.

The group offered little guidance besides saying it was committed to its transformation program announced last February after the company failed to find a buyer for its wine business. Management expects to realize between A$70 million and A$80 million of cost savings in fiscal 2010 and said it is still on track to deliver A$100 million of cost savings in fiscal 2011.

The beer division, Carlton & United Breweries, reported first-half earnings before interest and tax of A$486.4 million, up 6.6%. But that failed to excite analysts, who raised concerns about Foster's losing market share in beer during the first half. Mr. Johnston said the group is largely losing market share to smaller competitors, rather than Kirin Holdings Co.'s Lion Nathan, and that it will take more than six months to recover lost share.

Foster's declared an interim dividend of 12 Australian cents a share, flat from the prior period.

Foster's said U.S. economic conditions remain challenging but there are signs of stabilization. "Recent performance improvement in key states provides confidence that momentum will build through the balance of the year," the group said.

Enjoy The Wall Street Journal Asia at these fine hotels...

Premium Japanese Beef at Nadaman

Chef Kenji Yanagita introduces Saga, Hida and Oumi beef during lunch and dinner throughout February.

Reservations: 2820 8570

Level 7, Island Shangri-La, Pacific Place
Supreme Court Road, Central, Hong Kong

なだ万 Japanese Restaurant NADAMAN

JW MARRIOTT

Pop in to Q88 Wine Bar for Happy Hour
5:00 to 8:00 pm, Mondays to Fridays (except Public Holidays)

Q88

MAIN ST. DELI

I wanna see you at Hong Kong's only authentic New York style deli!

Main St. Deli is your ultimate choice to experience traditional New York favourites in Hong Kong. Deli favourites such as salami, pastrami on rye, hot corned beef and chicken soup with matzoh ball are served in real New York style!

For more information, please contact 2375 1133.

Langham Hotel Hong Kong

Wine Buffet

HK$168 + 10% per diner
24 wines flowing freely
Available along with your buffet or
a la carte lunch and dinner every Saturday,
Sunday & public holiday and dinner on weekdays

Café Kool
Tel: 2733 8753

Kowloon Shangri-La 64 Mody Road, Kowloon

THE WALL STREET JOURNAL. ASIA

Executive Dining features some of the leading hotel restaurants in Asia.
For more information about this program, please contact Mr. Philip Owens at
Tel: 2831-2570 | Fax: 2893-5090,
or visit www.wsj-asia.com to subscribe.

To Participate in the Executive Dining Program, please email to: philip.owens@dowjones.com.

MARKETS

Bharti spells out Zain bid financing

Indian telecom to raise $9 billion in bridge loan to pay for African assets; deal includes adding debt of $1.7 billion

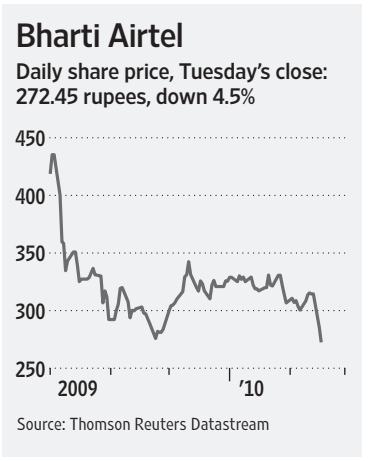
By Bijou George And Romit Guha

MUMBAI—**Bharti Airtel** Ltd. on Tuesday said its bid to acquire most of the African assets of Kuwait's **Mobile Telecommunications** Co., or Zain, would cost about $9 billion plus the assumption of about $1.7 billion in the debt of the target.

India's largest mobile phone operator by subscribers said Monday it is in exclusive talks until March 25 to buy the African assets of Zain, except for operations in Morocco and Sudan, in its latest bid to enter a fast-growing market overseas as intense competition and price wars are hurting growth at home.

African nations still hold much potential for expansion.

Of the net payout, Bharti confirmed a Zain notice to the Kuwait bourses earlier Tuesday that it would pay $700 million after a year from the closing of the deal, which is estimated to be the second-largest buyout ever by an Indian company, after **Tata Group**'s $13 billion acquisition of U.K. steelmaker Corus in October 2006.



The company has already set in motion the process of raising funds for the deal.

Bharti will raise around $9 billion via a dollar-denominated bridge loan to finance the buy, according to a person familiar with the matter.

"The loan will initially be for $9 billion and beyond that it will depend on whether the $1.7 billion debt in Zain's Africa assets needs to be refinanced as well," the person said.

The company has mandated Standard Chartered PLC and Barclays Bank to raise the funds, the person added.

Bharti's offer to Zain comes after its two failed attempts for a possible merger with South Africa's **MTN Group** Ltd., the latest one over regulatory issues.

Though analysts estimate the Bharti-Zain deal to have a smoother chance of closing, one matter has already cropped up—a dispute over ownership of Zain's largest unit in Nigeria.

Econent Wireless Holdings Ltd., a South African telecommunications company, said a long-standing dispute must be settled before the ownership of Zain Nigeria can change.

Bharti and Zain, separately, said Tuesday that the deal has a penalty clause for both parties of $150 million in case the transaction isn't concluded.

Shares in Bharti continued to slide for the second consecutive day, touching an intraday low of 269.65 rupees before closing the day 4.5% lower at 272.45 rupees on the Bombay Stock Exchange, where the benchmark Sensex index ended 1.2% higher.

While some analysts have downgraded the stock to sell, or maintained their sell rating, citing high valuations and the likely pressure on the balance sheet due to the debt it would need to raise, others are upbeat, pointing to long-term benefits such as a presence in 15 countries in Africa where mobile penetration levels are still low, offering growth potential.

They say Bharti's expertise at wringing profits out of its cellular business in a country where users, on average, spend only a few dollars per month on services, would be valuable in other developing markets, such as those Zain operates in.

EMI puts famed Abbey Road Studios up for sale

By Bruce Orwall

Troubled music company **EMI Group** PLC is talking to potential buyers for Abbey Road Studios, the hallowed London facility where the Beatles did most of their recording, according to a person familiar with the matter.

The talks are the latest sign of distress at the world's No. 4 music business, which has floundered since being bought in a 2007 leveraged buyout by private-equity firm **Terra Firma Capital Partners** Ltd.

Terra Firma is attempting to avoid default on a £950 million ($1.49 billion) loan backed by EMI Music, the company's struggling recorded-music business. It needs to raise more than £100 million from Terra Firma's investors to keep from defaulting on the **Citigroup** loan.

A sale of Abbey Road—which EMI hopes is worth tens of millions of pounds—wouldn't have any impact on that effort, a person familiar with the matter said.

The transaction is too small to make a difference, and wouldn't likely be completed in time to boost Terra Firma's latest fund-raising effort. News of the potential sale was reported by the Financial Times.

Reuters

Ringo Starr, Paul McCartney, George Harrison and Beatles record producer George Martin pose in the Abbey Road studios for a 1995 publicity shot.

A spokeswoman for EMI reached early Tuesday had no comment.

The studio's sale would be interpreted as the latest sign of a fire-sale mentality at EMI.

The studio was the home turf of EMI's most prominent act, the Beatles, who also used a crosswalk in front the site for its famous "Abbey Road" album cover—turning the studio into a tourist attraction that draws a steady flow of visitors each day. Dozens of other top acts, from Pink Floyd to Radiohead, have used the studio over the years.

The need for high-end recording studios has dropped off significantly in recent years as artists and producers have flocked to digital recording facilitated by computers.

EMI believes much of the value at Abbey Road is in the studio's "brand," which it appears to be trying to exploit more vigorously. Abbey Road has recently been the setting for a television series featuring live performances from top acts.

And the studio's Web site indicates that an online shop is launching soon.

Terra Firma's problems with EMI continue, meanwhile. In December, it sued Citigroup—which is owed more than £3 billion—over the bank's handling of the takeover deal. The suit was filed in U.S. District Court in New York City, but the two sides are now haggling over whether the case should be tried there or in London.

Court documents made public last week indicated that, as recently as three months ago, Terra Firma boss Guy Hands proposed a radical restructuring of the business that would have separated its volatile recorded-music arm from its stable music publishing business, which includes classics as well as new songs.

Daiwa Securities considers deals as it chases Asia strategy

By Atsuko Fukase

TOKYO—**Daiwa Securities Group** Inc. may consider buying a boutique investment bank and getting into Asian private equity as it seeks to remain independent in Japan's competitive financial sector.

In an interview, Daiwa President and Chief Executive Shigeharu Suzuki said expansion in Asia will be a key plank of preserving the independence of the brokerage, Japan's No. 2 by revenue behind Nomura Holdings Inc.

"It's fairly possible that we can expand through acquisitions," Mr. Suzuki said, citing deals like the £75 million ($117.5 million) purchase last year of the corporate-finance business of the U.K.'s Close Brothers Group PLC. Mr. Suzuki didn't specify where exactly Daiwa might invest, nor how much it wants to spend.

But the 62-year-old veteran of the brokerage industry said Daiwa will be carefully looking for a target and "will more likely seek a boutique-type investment bank not to ruin Daiwa's corporate culture."

In December, Daiwa scrapped a 10-year-old brokerage tie-up with SMBC, the core banking unit of Sumitomo Mitsui Financial Group Inc., due to differences with SMBC on the venture's business model. Daiwa bought out SMBC's 40% stake in the Daiwa Securities SMBC joint venture for more than $2 billion.

The move sparked investor unease over the absence of referrals for underwriting and mergers-and-acquisitions business from SMFG, Japan's third-largest bank by assets. Standard & Poor's Ratings Services downgraded Daiwa SMBC's counterparty credit rating by two notches to BBB+ from A. Moody's Investors Service lowered Daiwa SMBC's long-term rating by one notch to A2, citing the challenge of surviving as an independent brokerage in a competitive environment.

Daiwa is nevertheless sticking to its goal to be one of Asia's top 10 financial firms in the equities-capital-markets business by 2013. Currently, it is ranked 82nd, according to Thomson Reuters data.

"I expect competition will intensify further, but that's what the financial world is about," Mr. Suzuki said, noting being independent from a major bank brings both advantages and disadvantages. "We have to see whether there's an impact from a long-term prospect, but for now, we don't see a negative effect."

As an example of Daiwa's newfound freedom to do business with anyone outside the circle of companies linked to SMFG, Mr. Suzuki cited the brokerage's role as a joint underwriter of Mitsubishi UFJ Financial Group's blockbuster one trillion yen (about $11 billion) share issue last December. "It gave us a big plus in that a powerful bank chose us, leading us to greater access to Mitsubishi-related customers from now on," he said.

The company shifted the head-office functions of its non-Japan Asia operations to Hong Kong from Tokyo last year and has hired 40 to 50 staff for that business since last autumn. The firm plans to increase its employees in Asia to about 1,120 by March 2012 from 650 as of September.

Mr. Suzuki also said Daiwa is interested in getting into private equity and investing in Asian companies. Forming a tie-up with an established private-equity fund is also an option Daiwa could consider, he said.

This isn't the first time Daiwa has sought to strengthen businesses in Asia. Mr. Suzuki, who counts golf and playing bass guitar as hobbies, said previous efforts were stymied at least in part by a lack of flexibility associated with having to operate a joint wholesale-brokerage unit with SMBC, slowing decision-making at key times.

Mr. Suzuki said the Close Brothers deal helped push M&A commissions in the quarter ended December up 44% from a year earlier. For the fiscal third quarter, Daiwa bounced back to a net profit of 26.47 billion yen from a net loss of 53 billion yen a year earlier.

Bank Negara profit more than doubles

By Linda Silaen

JAKARTA—PT **Bank Negara Indonesia**'s net profit more than doubled in 2009, outpacing industry growth on a jump in fee-based income.

The bank, commonly known as BNI, also said it might raise as much as seven trillion rupiah ($749 million) this year through a bond issue, sales of stakes in units, and a rights issue.

For this year, it is targeting a rise in net profit of at least 10% and an increase in total lending of 14% to 17%.

The country's fourth-largest lender by assets said net profit rose to 2.48 trillion rupiah in 2009 from 1.22 trillion rupiah the previous year. It recorded 4.3 trillion rupiah in fee-based income, up from 3.4 trillion rupiah, Chief Executive Gatot Soewondo said.

BNI's net-profit growth was higher than the 48% increase in the aggregate net profit booked by domestic commercial banks last year, according to recent central-bank data.

Net interest income rose to 11.13 trillion rupiah from 9.91 trillion rupiah, on increased lending, the chief executive said. Total outstanding loans rose to 120.84 trillion rupiah as of Dec. 31, from 111.99 trillion rupiah at the end of 2008. The bank earmarked 4.1 trillion rupiah in loan-loss provisions in 2009, down from 4.4 trillion rupiah in the previous year.

BNI is looking to issue $300 million of seven-year subordinated bonds in the first half of the year, Finance Director Yap Tjay Soen told reporters. J.P. Morgan Chase & Co. and Barclays Capital are arranging the planned bond issue, which is pending approval from the central bank.

This could be followed by a rights issue in the second half of the year, through which the bank may sell 16.4% of its shares to the public to raise three trillion rupiah to four trillion rupiah, Mr. Yap said. The rights issue, if it goes ahead, would boost the portion of BNI's shares floated in the market to 40%, making it eligible for a reduction in its income-tax rate to 25% from 30%, he said.

BNI might also sell partial stakes in its investment-bank unit, PT BNI Sekuritas, its shariah banking unit, as well as 20% to 30% of a life-insurance unit this year, he said.

Barclays's 2009 net leapt

Lehman acquisition, sale of fund unit cited; bonuses reined in

By Sara Schaefer Muñoz

LONDON—**Barclays** PLC's net profit more than doubled in 2009, thanks largely to the sale of its asset-management business and the addition of Lehman Brothers' North American operations.

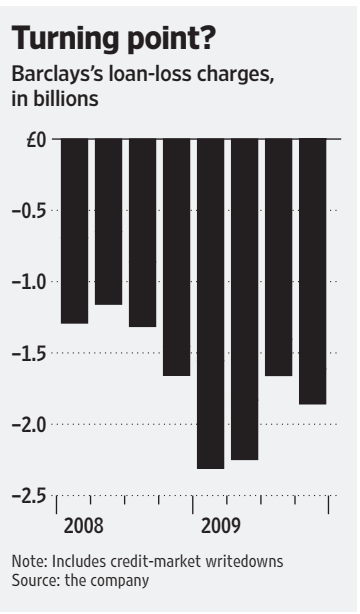
Barclays booked a £9.39 billion ($14.71 billion) net profit for the year, up from a net profit of £4.38 billion in 2008. The latest results included a £6.33 billion gain from the sale of Barclays Global Investors to BlackRock Inc.

The bank was hit, however, by a jump in impairment charges, especially in its retail and commercial bank operations as the U.K. and Western Europe continued to suffer under the economic downturn. Total impairment charges on souring loans and investments were £8 billion, up 50% from 2008.

Barclays also detailed its compensation structure, a hot-button issue in the wake of the financial crisis. The bank awarded a total of £2.7 billion in stock and cash bonuses to its employees, though Barclays Chief Executive John Varley and President Robert E. Diamond Jr. waved bonuses for 2009.

The bank said its investment-banking arm reduced its compensation ratio, paying out 38% of its net revenue in compensation and benefits for 2009, down from 44% the year before.

Barclays's reduced bonuses come after more than 400 top executives pocketed a total of £380 million from the sale of BGI to BlackRock. Mr. Diamond netted £22 million from the deal. The payouts came from a special stock plan available to top executives at the bank.



The bank said all of the 2009 bonuses for top executives will be deferred for three years. Following the new code of the Financial Services Authority, the U.K.'s financial watchdog, about 70% of other employees' awards will be deferred, and a greater amount will be awarded in stock. "We will strive to demonstrate, both in our words and actions, that Barclays is responsive to public concerns," Chairman Marcus Agius said in a statement on the bank's compensation policies.

Barclays says its global bonus pool was cut due to the bonus tax in the U.K. The bank didn't target London-based bankers' awards, as rival Credit Suisse Group AG and Goldman Sachs Group Inc. have done. The bank said the cost of the tax was £225 million, which "broadly equates" to the reduction in the size of the pool, with the brunt being borne by senior executives.

However, any effect of new bonus restrictions will be muted by higher salaries, which Barclays raised across the bank in December, in some cases doubling them, a person close to the matter said.

While impairment charges in 2009 were high, the bank estimated they would modestly decline in 2010, though they could rise in certain businesses, such as the bank's commercial-loan book. Chris Lucas, the bank's chief financial officer, said overall impairment levels in the second half of 2009 were 23% lower than in the first half.

The bank said the strong profit within its investment-arm were due in part to the integration of the Lehman's operations it bought in September 2008.

—Patricia Kowsmann contributed to this article.

Morgan Stanley faces a call on Japan hotels

Continued from page 17

time of the hotels' acquisition. But the Japanese real-estate bubble popped when the financial crisis erupted in the U.S. and investment banks sharply curtailed new lending. Many banks trying to pass loans onward in a process called syndication were stuck with the soured debt on their books.

Now many of the real-estate loans taken out during the go-go years are maturing. In the commercial-mortgage-backed securities sector of the market, 1.23 trillion yen of loans will come due in Japan this year, and the default rate is likely to rise, according to Moody's Investors Service. The ratings firm expects about 750 billion yen to default this year.

Delinquency rates are climbing world-wide, but the problem may become more acute in Japan, even though the market is relatively new and small, because CMBS loans typically have a shorter lifespan there. In Japan, CMBS loans are usually due in about three years, compared with five to seven years in Europe and about a decade in the U.S.

The ANA hotel refinancing will be closely watched for any formal revaluation of large assets and an indication of how quickly the Japanese property market will recover, the people familiar with the matter said.

The day-to-day operations may not be affected as the hotels are still operated by a joint venture between the airline and the **InterContinental Hotels Group**.

Since 1998, Morgan Stanley has spent about two trillion yen on Japanese real estate, a good chunk of which it used to buy hotels. GIC has already bought one property from the U.S. investment bank; in 2008, it purchased the 438-room five-star Westin Tokyo for $722 million. Morgan Stanley is in talks to sell one of its other hotels, the Hyatt Regency Hakone, to a buyer from Asia, said people familiar with the matter, who declined to identify the prospective purchaser.

Morgan Stanley's real-estate-investing arm is excluded from the company's talks to merge its Japanese brokerage arm with Mitsubishi UFJ Financial Group.

Deripaska weighs power IPO

By Alexander Kolyandr

LONDON—Russian billionaire Oleg Deripaska is considering an initial public offering of the shares in his power company OAO **Eurosibenergo**, a person familiar with the matter said Sunday.

The IPO may take place in Hong Kong, following a listing of aluminum giant **UC Rusal** Ltd.—in which Mr. Deripaska is the main shareholder—there in January.

Eurosibenergo comprises a series of power stations in Siberia that power Rusal's smelters. Eurosibenergo is Russia's No. 2 electricity producer, accounting for over 8% of production. Rusal raised about $2.5 billion in its Hong Kong offering. But the shares have underperformed since then, and ended Friday at 8.47 Hong Kong dollars (US$1.09), 22% below their offering price.

Boao Forum For Asia Annual Conference 2010
April 9-11 2010 Boao, Hainan Province, China
A Meeting of the Minds, A Dialog for the Tomorrow of Asia
Green Recovery:
Asia's Realistic Choice for Sustainable Growth
绿色复苏：亚洲可持续发展的现实选择
Capital Market: Financing the Transformation of Asian Economies
Breakfast Session: Medical Reform in China
"Green Recovery: Asia's Realistic Choice for Sustainable Growth"
From G8 to G20: New Architecture, New Rules, New Players
Rethinking Growth
Luncheon Session: Trade Protectionism – A Real Threat to Recovery
Merger & Acquisition: Ideal vs. Reality
Counter-Cyclical Strategies: Thinking Ahead
Low-Carbon Energy: Can Asia Lead the World?
Move to Consumption – Asian Style
Business Environment: Nothing as Usual after the Crisis?
Deregulation: Unleashing the Power of the Private Sector
Redefine the Role of Real Estate
Breakfast Session: Alternative Investments in Asia
From Chiang Mai Initiative (CMI) to Asian Monetary Fund (AMF)
Emerging Markets: Time to Turn to One another
21st Century Finance, 21st Century Regulation
Corporate Governance: Learning Lessons from the Crisis
Luncheon Session: Copenhagen – for the Future of the Earth
Greater China Roundtable
Boao TV Debate: Asian Economy 2010
Sponsors & Partners
VOLVO
sabic
EMG
Bank of America
Merrill Lynch
EVONIK
TATA
BUICK
SK
Deloitte.
verax
Bloomberg
CNBC
THE WALL STREET JOURNAL
CHINA DAILY
For Further Information, Please Contact BFA Secretariat.
Tel: 86-10-6505 7377 Fax: 86-10-6505 1833 Email: bfa@boaoforum.org www.boaoforum.org

Indonesia cancels $107 million sukuk

By Megumi Fujikawa

TOKYO—Japanese government-bond yields ended mixed Tuesday as an auction of five-year notes confirmed that demand from domestic banks remains solid.

The yield on the benchmark 10-year cash bond held steady at 1.32%. The five-year yield edged down 0.005 percentage point to 0.505%.

BOND MARKETS

But superlong yields rose, as foreign investors have become warier of those maturities given the government's worsening fiscal health. The 20-year yield rose 0.01 percentage point to 2.170%, its highest since November. The 30-year yield firmed 0.015 percentage point to 2.345%.

Tuesday, Japan sold 2.203 trillion yen ($24.48 billion) of 0.5% five-year debt at a lowest price of 99.90, in line with traders' expectations, to yield 0.521%.

"Investors were likely comfortable buying the five-year note because short-term interest rates [such as Tokyo interbank offered rates], which had been at high levels, have started to decline and are expected to continue falling," said Katsutoshi Inadome, a strategist at Mitsubishi UFJ Securities.

Elsewhere, Indonesia opted not to sell any *sukuk* at an auction Tuesday, as the yields that investors sought were too high, the country's top debt official said.

The cancellation reflects the difficulty the world's largest Muslim-majority nation is experiencing in developing a viable domestic market for Islamic financial instruments, even as it has success selling Islamic debt on the international market.

The government last year began holding regular auctions to sell local-currency sukuk but has often had to cancel the sales, or issue less debt than hoped, as investors aren't willing to buy the Islamic paper at low yields.

The government had planned to raise one trillion rupiah ($107 million) Tuesday by selling sukuk with maturities of five years, seven years, 11 years and 15 years. But it rejected all 1.705 trillion rupiah of bids received.

Rahmat Waluyanto, the finance ministry's director general for debt, said investors at the auction had requested "yields that were above [those of] government benchmarks." He didn't elaborate, but the government previously has sold sukuk at premiums of about 1.30 percentage points to 1.40 percentage points above yields on conventional debt.

He added that the government's finances are "safe," and that bond issuance isn't a pressing concern. The government previously has said it has 38 trillion rupiah in surplus funds left over from last year.

—Reuben Carder and I Made Sentana in Jakarta contributed to this article.

Treasurys pull back after strong N.Y. data

By Deborah Lynn Blumberg

NEW YORK—Treasury prices were moderately lower Tuesday after data showed a sharp rise in manufacturing activity in the New York area and as market participants geared up for comments from a trio of Federal Reserve officials in the afternoon.

U.S. CREDIT MARKETS

Prices kicked off the holiday-shortened week on a soft note, and some believe that weakness could persist with China out on holiday this week and as the Treasury Department announces its next round of debt sales on Thursday. Market participants expect a total of nearly $100 billion in new funds will be raised. Sales will include offerings of two-, five- and seven-years notes.

In Tuesday trading, five- and seven-year Treasurys were under the most pressure.

Late morning, the two-year Treasury note was off 1/32 at 100 2/32 to yield 0.8426%, the 10-year note was off by 5/32 at 99 10/32 to yield 3.7079% and the 30-year was down by 7/32 at 99 9/32, yielding 4.6698%. Bond prices moves inversely to yields.

The Empire State's business-conditions index increased to 24.91 this month from 15.92 in January. Economists surveyed by Dow Jones Newswires had expected a reading of just 16.0 in February.

Worries about debt-laden Greece and the possibility that its fiscal problems could spread across the euro zone lingered Tuesday.

Kansas City Federal Reserve President Thomas Hoenig was one of three Fed presidents offering remarks Tuesday. He was scheduled to speak at around 12 p.m. EST in Washington, D.C.

Atlanta Fed President Dennis Lockhart was to give remarks at 12:30 p.m. in Atlanta, and Minnesota Fed President Narayana Kocherlakota was to deliver his first remarks as a central banker at 11:45 a.m. EST in St. Paul.

FUND SCORECARD

HF Convertible Arbitrage

Profit from pricing discrepancy of a company´s stock and its convertible bonds. Since pricing discrepancies are small, many employ leverage to increase return. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending February 12, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
2	**Aviva Convertible Bond Arb USD**	Aviva Inv Alternative Funds PCC Ltd	USD	Guernsey	**-0.24**	65.53	-0.54	NS
NS	**Kallista CB Arbitrage EUR Fund Ltd**	ADI - Alternative Investments	EUR	Cayman Isl	**-0.89**	58.65	-15.48	-0.30
2	**JB Convertible Bond Hedge Fd**	Augustus Asset Managers Limited	USD	Cayman Isl	**48.25**	48.25	2.16	NS
3	**Whitebox Diver Conv Arb LP**	Whitebox Advisors LLC	USD	United States	**-0.42**	45.45	8.97	8.21
2	**Whitebox Diver Conv Arb Ltd**	Whitebox Advisors LLC	USD	United States	**-0.42**	44.65	8.55	8.02
3	**Advent Cov Arb (Cayman) Ltd**	Advent Capital Management, LLC	USD	Cayman Isl	**43.61**	43.61	5.50	4.31
3	**Advent Convertible Arbitrage Fund**	Advent Capital Management, LLC	USD	United States	**0.58**	40.59	4.64	4.54
4	**ACM Phoenix Convertible Fund**	Advent Capital Management, LLC	USD	Cayman Isl	**30.42**	38.77	0.77	3.28
NS	**Concordia Class B Volatility Arbitrage**	Concordia Advisors (Bermuda) Ltd.	USD	Bermuda	**24.03**	37.83	15.19	7.54
3	**FPC High Yield Fund**	Falcon Point Capital, LLC	USD	United States	**35.35**	35.35	-0.56	4.05

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	02/12	EUR	48.12	-11.9	13.5	-25.1
ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	02/15	USD	9.95	-4.1	31.8	-12.2
Am Eq Blend B	US	EQ	LUX	02/15	USD	9.34	-4.2	30.6	-13.1
Am Growth A	US	EQ	LUX	02/15	USD	29.50	-5.6	32.6	-2.4
Am Growth AX	US	EQ	LUX	02/15	USD	31.86	-5.5	33.4	-1.8
Am Growth B	US	EQ	LUX	02/15	USD	24.77	-5.7	31.3	-3.4
Am Growth C	US	EQ	LUX	02/15	USD	26.67	-5.6	32.0	-2.8
Am Growth I	US	EQ	LUX	02/15	USD	32.72	-5.5	33.6	-1.6
Am Income A	US	BD	LUX	02/15	USD	8.41	-0.2	24.5	5.9
Am Income A2	OT	OT	NA	02/15	HKD	148.76	0.5	25.1	6.2
Am Income A2	US	BD	LUX	02/15	USD	19.14	0.5	25.1	6.2
Am Income AT	OT	OT	NA	02/15	HKD	65.44	0.6	25.3	6.2
Am Income AT	US	BD	LUX	02/15	USD	8.42	0.6	25.3	6.2
Am Income B	US	BD	LUX	02/15	USD	8.41	-0.2	23.6	5.1
Am Income B2	OT	OT	NA	02/15	HKD	128.08	0.4	24.3	5.4
Am Income B2	US	BD	LUX	02/15	USD	16.48	0.4	24.3	5.4
Am Income BT	OT	OT	NA	02/15	HKD	65.75	0.0	23.7	5.2
Am Income BT	US	BD	LUX	02/15	USD	8.46	0.0	23.7	5.2
Am Income C	US	BD	LUX	02/15	USD	8.41	-0.2	24.0	5.4
Am Income C2	US	BD	LUX	02/15	USD	24.52	0.5	24.6	5.7
Am Income I	US	BD	LUX	02/15	USD	8.41	-0.2	25.2	6.6
Am Value A	US	EQ	LUX	02/15	USD	8.33	-2.3	19.7	-11.5
Am Value B	US	EQ	LUX	02/15	USD	7.66	-2.4	18.6	-12.4
Am Value C	US	EQ	LUX	02/15	USD	8.33	-2.3	19.3	-11.9
Am Value I	US	EQ	LUX	02/15	USD	8.97	-2.3	20.7	-10.8
Emg Mkts Debt A	GL	BD	LUX	02/15	USD	15.43	-0.8	43.0	7.7
Emg Mkts Debt A2	GL	BD	LUX	02/15	USD	20.10	0.0	43.9	8.0
Emg Mkts Debt AT	GL	BD	LUX	02/15	USD	15.51	-0.6	43.3	7.7
Emg Mkts Debt B	GL	BD	LUX	02/15	USD	15.43	-0.8	41.8	6.7
Emg Mkts Debt B2	GL	BD	LUX	02/15	USD	19.34	-0.1	42.5	6.9
Emg Mkts Debt BT	GL	BD	LUX	02/15	USD	15.49	-0.6	41.9	6.7
Emg Mkts Debt C	GL	BD	LUX	02/15	USD	15.43	-0.8	42.5	7.2
Emg Mkts Debt C2	GL	BD	LUX	02/15	USD	19.74	-0.1	43.3	7.5
Emg Mkts Debt I	GL	BD	LUX	02/15	USD	15.43	-0.8	43.7	8.2
Emg Mkts Growth A	GL	EQ	LUX	02/15	USD	32.12	-7.3	64.5	-13.0
Emg Mkts Growth B	GL	EQ	LUX	02/15	USD	27.19	-7.4	62.9	-13.9
Emg Mkts Growth C	GL	EQ	LUX	02/15	USD	27.83	-7.4	63.8	-13.4
Emg Mkts Growth I	GL	EQ	LUX	02/15	USD	35.65	-7.2	65.9	-12.3
Eur Growth A	OT	OT	LUX	02/15	EUR	9.19	-3.8	23.6	-14.7
Eur Growth A	OT	OT	LUX	02/15	EUR	6.76	-3.8	23.6	-14.7
Eur Growth B	OT	OT	LUX	02/15	EUR	6.07	-4.0	22.4	-15.5
Eur Growth B	OT	OT	LUX	02/15	USD	8.25	-4.0	22.4	-15.5
Eur Growth C	EU	EQ	LUX	02/15	EUR	5.12	-3.9	23.1	-15.0
Eur Growth I	OT	OT	LUX	02/15	USD	10.02	-3.9	24.5	-14.0
Eur Growth I	OT	OT	LUX	02/15	EUR	7.37	-3.9	24.5	-14.0
Eur Income A	OT	OT	LUX	02/15	EUR	6.64	0.6	39.9	6.0
Eur Income A	OT	OT	LUX	02/15	USD	9.03	0.6	39.9	6.0
Eur Income A2	OT	OT	LUX	02/15	EUR	13.04	1.3	40.5	6.2
Eur Income A2	OT	OT	LUX	02/15	USD	17.73	1.3	40.5	6.2
Eur Income AT	EU	BD	LUX	02/15	EUR	6.64	1.4	40.6	6.2
Eur Income B	OT	OT	LUX	02/15	EUR	6.64	0.6	39.2	5.3
Eur Income B	OT	OT	LUX	02/15	USD	9.03	0.6	39.2	5.3
Eur Income B2	OT	OT	LUX	02/15	EUR	12.12	1.3	39.6	5.4
Eur Income B2	OT	OT	LUX	02/15	USD	16.48	1.3	39.6	5.4
Eur Income BT	EU	BD	LUX	02/15	EUR	6.64	0.8	38.9	5.2
Eur Income C	OT	OT	LUX	02/15	EUR	6.64	0.6	39.5	5.5
Eur Income C	OT	OT	LUX	02/15	USD	9.03	0.6	39.5	5.5
Eur Income C2	OT	OT	LUX	02/15	USD	13.00	1.3	40.1	5.8
Eur Income C2	OT	OT	LUX	02/15	USD	17.68	1.3	40.1	5.8
Eur Income I	OT	OT	LUX	02/15	EUR	6.64	0.6	40.5	6.5
Eur Income I	OT	OT	LUX	02/15	USD	9.03	0.6	40.5	6.5
Eur Strat Value A	OT	OT	LUX	02/15	EUR	8.06	-5.5	23.4	-17.8
Eur Strat Value A	OT	OT	LUX	02/15	USD	10.96	-5.5	23.4	-17.8
Eur Strat Value I	OT	OT	LUX	02/15	EUR	8.26	-5.5	24.4	-17.1
Eur Strat Value I	OT	OT	LUX	02/15	USD	11.23	-5.5	24.4	-17.1
Eur Value A	OT	OT	LUX	02/15	EUR	8.68	-5.7	26.7	-14.5
Eur Value A	OT	OT	LUX	02/15	USD	11.80	-5.7	26.7	-14.5
Eur Value B	OT	OT	LUX	02/15	USD	10.84	-5.8	25.3	-15.4
Eur Value B	OT	OT	LUX	02/15	EUR	7.97	-5.8	25.3	-15.4
Eur Value C	OT	OT	LUX	02/15	EUR	8.39	-5.6	26.2	-14.9
Eur Value C	OT	OT	LUX	02/15	USD	11.41	-5.6	26.2	-14.9
Eur Value I	OT	OT	LUX	02/15	USD	13.64	-5.6	27.8	-13.8
Eur Value I	OT	OT	LUX	02/15	EUR	10.03	-5.6	27.8	-13.8
Gl Balanced (Euro) A	OT	OT	LUX	02/15	USD	15.30	-1.9	22.8	-9.2
Gl Balanced (Euro) B	OT	OT	LUX	02/15	USD	14.88	-2.1	21.6	-10.2
Gl Balanced (Euro) C	OT	OT	LUX	02/15	USD	15.18	-1.9	22.5	-9.5
Gl Balanced (Euro) I	OT	OT	LUX	02/15	USD	15.58	-1.9	NS	NS
Gl Balanced A	US	BA	LUX	02/15	USD	15.90	-3.5	26.9	-9.5
Gl Balanced B	US	BA	LUX	02/15	USD	15.10	-3.6	25.7	-10.4
Gl Balanced C	OT	OT	LUX	02/15	USD	15.66	-3.6	26.6	-9.8
Gl Balanced C	OT	OT	LUX	02/15	EUR	11.52	-3.6	26.6	-9.8
Gl Balanced I	US	BA	LUX	02/15	USD	16.51	-3.4	27.9	-8.8
Gl Bond A	US	BD	LUX	02/15	USD	9.33	1.0	14.9	4.8
Gl Bond A2	OT	OT	NA	02/15	HKD	126.22	1.4	15.3	4.9
Gl Bond A2	US	BD	LUX	02/15	USD	16.24	1.4	15.3	4.9
Gl Bond AT	OT	OT	LUX	02/15	HKD	72.51	1.2	14.9	4.8
Gl Bond AT	US	BD	LUX	02/15	USD	9.33	1.2	14.9	4.8
Gl Bond B	US	BD	LUX	02/15	USD	9.33	1.0	13.9	3.8
Gl Bond B2	OT	OT	NA	02/15	HKD	110.44	1.4	14.1	3.9
Gl Bond B2	US	BD	LUX	02/15	USD	14.21	1.4	14.1	3.9
Gl Bond BT	OT	OT	LUX	02/15	HKD	72.75	1.1	13.8	3.8
Gl Bond BT	US	BD	LUX	02/15	USD	9.36	1.1	13.8	3.8
Gl Bond C	US	BD	LUX	02/15	USD	9.33	1.0	14.4	4.3
Gl Bond C2	US	BD	LUX	02/15	USD	14.09	1.4	14.7	4.5
Gl Bond I	US	BD	LUX	02/15	USD	9.33	1.0	15.5	5.4
Gl Conservative A	US	BA	LUX	02/15	USD	14.69	-1.2	18.1	-3.3
Gl Conservative A2	US	BA	LUX	02/15	USD	16.73	-1.2	18.2	-3.3
Gl Conservative B	US	BA	LUX	02/15	USD	14.67	-1.3	17.0	-4.3
Gl Conservative B2	US	BA	LUX	02/15	USD	15.87	-1.4	16.9	-4.3
Gl Conservative C	US	BA	LUX	02/15	USD	14.67	-1.3	17.6	-3.8
Gl Conservative C2	US	BA	LUX	02/15	USD	16.35	-1.3	17.6	-3.8
Gl Conservative I	US	BA	LUX	02/15	USD	14.77	-1.1	19.1	-2.6
Gl Eq Blend A	GL	EQ	LUX	02/15	USD	10.87	-6.8	33.7	-19.5
Gl Eq Blend B	GL	EQ	LUX	02/15	USD	10.19	-6.9	32.3	-20.3
Gl Eq Blend C	GL	EQ	LUX	02/15	USD	10.67	-6.9	33.0	-19.9
Gl Eq Blend I	GL	EQ	LUX	02/15	USD	11.48	-6.7	34.7	-18.8
Gl Growth A	GL	EQ	LUX	02/15	USD	39.29	-6.3	30.7	-20.1
Gl Growth B	GL	EQ	LUX	02/15	USD	32.76	-6.3	29.4	-20.9
Gl Growth C	GL	EQ	LUX	02/15	USD	37.68	-6.3	30.1	-20.4
Gl Growth I	GL	EQ	LUX	02/15	USD	43.67	-6.1	31.7	-19.4
Gl High Yield A	US	BD	LUX	02/15	USD	4.29	-0.9	55.0	5.6
Gl High Yield A2	OT	OT	NA	02/15	HKD	71.97	0.0	55.9	5.8
Gl High Yield A2	US	BD	LUX	02/15	USD	9.26	0.0	55.9	5.8
Gl High Yield AT	US	BD	LUX	02/15	USD	4.26	0.2	56.0	5.9
Gl High Yield AT	OT	OT	NA	02/15	HKD	33.11	0.2	56.0	5.9
Gl High Yield B	US	BD	LUX	02/15	USD	4.29	-0.9	53.2	4.4
Gl High Yield B2	OT	OT	NA	02/15	HKD	115.57	-0.1	54.4	4.8
Gl High Yield B2	US	BD	LUX	02/15	USD	14.87	-0.1	54.4	4.8
Gl High Yield BT	OT	OT	NA	02/15	HKD	33.65	-0.7	53.6	4.5
Gl High Yield BT	US	BD	LUX	02/15	USD	4.33	-0.7	53.6	4.5
Gl High Yield C	US	BD	LUX	02/15	USD	4.29	-0.9	54.2	5.1
Gl High Yield C2	US	BD	LUX	02/15	USD	13.72	0.0	55.2	5.4
Gl High Yield I	US	BD	LUX	02/15	USD	4.29	-0.9	56.0	6.3
Gl Thematic Res. A	OT	OT	LUX	02/15	USD	13.93	-5.4	67.4	-1.3
Gl Thematic Res. B	OT	OT	LUX	02/15	USD	12.17	-5.6	65.8	-2.3
Gl Thematic Res. I	OT	OT	LUX	02/15	USD	15.55	-5.4	68.8	-0.5
Gl Value A	GL	EQ	LUX	02/15	USD	10.33	-7.3	37.0	-18.9
Gl Value B	GL	EQ	LUX	02/15	USD	9.48	-7.4	35.6	-19.7
Gl Value C	GL	EQ	LUX	02/15	USD	10.03	-7.4	36.3	-19.3
Gl Value I	GL	EQ	LUX	02/15	USD	10.99	-7.3	38.1	-18.3
Greater China A	AS	EQ	LUX	02/15	USD	37.13	-7.2	50.9	-13.5
Greater China B	AS	EQ	LUX	02/15	USD	32.81	-7.4	49.4	-14.4
Greater China C	AS	EQ	LUX	02/15	USD	36.64	-7.3	50.3	-13.9
India Growth A	OT	OT	LUX	02/15	USD	119.72	-5.7	NS	NS
India Growth AX	OT	OT	LUX	02/15	USD	104.69	-5.6	77.7	-7.3
India Growth B	OT	OT	LUX	02/15	USD	125.26	-5.8	NS	NS
India Growth BX	OT	OT	LUX	02/15	USD	89.37	-5.8	75.9	-8.2
India Growth I	EA	EQ	LUX	02/15	USD	108.56	-5.6	78.4	-7.0
Int'l Health Care A	OT	EQ	LUX	02/15	USD	135.85	-1.2	16.6	-6.2
Int'l Health Care B	OT	EQ	LUX	02/15	USD	114.44	-1.3	15.4	-7.1
Int'l Health Care C	OT	EQ	LUX	02/15	USD	130.12	-1.2	16.1	-6.6
Int'l Health Care I	OT	EQ	LUX	02/15	USD	148.58	-1.1	17.5	-5.4
Int'l Technology A	OT	EQ	LUX	02/15	USD	103.27	-6.4	43.8	-6.4
Int'l Technology B	OT	EQ	LUX	02/15	USD	89.37	-6.5	42.4	-7.3
Int'l Technology C	OT	EQ	LUX	02/15	USD	99.74	-6.5	43.1	-6.8
Int'l Technology I	OT	EQ	LUX	02/15	USD	115.91	-6.3	44.9	-5.6
Japan Eq Blend A	JP	EQ	LUX	02/15	JPY	5787.00	-3.9	23.5	-20.0
Japan Eq Blend B	JP	EQ	LUX	02/15	JPY	5577.00	-4.1	22.3	-20.8
Japan Eq Blend C	JP	EQ	LUX	02/15	JPY	5691.00	-4.0	22.9	-20.3
Japan Growth A	JP	EQ	LUX	02/15	JPY	5510.00	-6.2	13.7	-21.4
Japan Growth B	JP	EQ	LUX	02/15	JPY	5310.00	-6.3	12.5	-22.2
Japan Growth C	JP	EQ	LUX	02/15	JPY	5419.00	-6.2	13.2	-21.8
Japan Strat Value A	JP	EQ	LUX	02/15	JPY	6036.00	-1.4	33.8	-18.8
Japan Strat Value B	JP	EQ	LUX	02/15	JPY	5823.00	-1.5	32.5	-19.6
Japan Strat Value C	JP	EQ	LUX	02/15	JPY	5931.00	-1.4	33.1	-19.2
Real Estate Sec. A	OT	EQ	LUX	02/15	USD	13.39	-6.7	52.9	-15.1
Real Estate Sec. B	OT	EQ	LUX	02/15	USD	12.22	-6.9	51.2	-15.9
Real Estate Sec. I	OT	EQ	LUX	02/15	USD	14.40	-6.6	54.0	-14.4
Short Mat Dollar A	US	BD	LUX	02/15	USD	7.27	0.0	13.7	-5.0
Short Mat Dollar A2	US	BD	LUX	02/15	USD	9.84	0.5	14.0	-4.9
Short Mat Dollar AT	US	BD	LUX	02/15	USD	7.27	0.3	13.7	-5.0
Short Mat Dollar B	US	BD	LUX	02/15	USD	7.27	0.0	13.2	-5.4
Short Mat Dollar B2	US	BD	LUX	02/15	USD	9.79	0.5	13.6	-5.3
Short Mat Dollar BT	OT	OT	LUX	02/15	USD	7.28	0.1	NS	-5.7
Short Mat Dollar C	US	BD	LUX	02/15	USD	7.27	0.0	13.2	-5.4
Short Mat Dollar C2	US	BD	LUX	02/15	USD	13.84	0.5	13.5	-5.3
Short Mat Dollar I	US	BD	LUX	02/15	USD	7.27	0.0	14.2	-4.4

Advertisement [ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	12/31	USD	1691.35	74.6	74.6	NS
CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	02/09	USD	101.90	1.9	23.8	20.6
PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	11/30	USD	96.31	14.7	11.9	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	11/30	USD	113.20	10.2	10.7	-29.6
Platinm-Emancipation	OT	OT	USA	12/31	USD	93.12	24.4	24.4	-8.6
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	10/30	USD	60.64	29.4	15.3	-31.8
Platinm-Nordic	OT	OT	CYM	12/31	SEK	617.36	13.2	13.2	-16.2
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	11/30	USD	57.51	NS	NS	-33.7
SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	02/09	USD	31.98	-21.6	-62.1	-13.9
Superfund GCT USD*	GL	EQ	LUX	02/09	USD	1794.00	-18.2	-51.2	-10.8
Superfund Green Gold A (SPC)	OT	OT	CYM	02/09	USD	823.27	-14.6	-30.2	-4.4
Superfund Green Gold B (SPC)	OT	OT	CYM	02/09	USD	740.31	-20.9	-46.2	-11.1
Superfund Q-AG*	OT	OT	AUT	02/09	EUR	5786.00	-12.6	NS	-2.9
WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	12/31	EUR	945.08	NS	NS	NS
Winton Evolution GBP Cls G	OT	OT	CYM	12/31	GBP	949.08	NS	NS	NS
Winton Evolution USD Cls F	OT	OT	CYM	12/31	USD	1199.12	-5.4	-5.4	2.0
Winton Futures EUR Cls C	OT	OT	VGB	01/29	EUR	191.46	-2.7	-8.1	4.3
Winton Futures GBP Cls D	OT	OT	VGB	01/29	GBP	207.19	-2.7	-7.6	5.2
Winton Futures JPY Cls E	OT	OT	VGB	01/29	JPY	13526.58	-2.6	-9.3	2.0
Winton Futures USD Cls B	OT	OT	VGB	01/29	USD	680.91	-2.6	-8.1	4.0
ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	02/16	EUR	48.88	-6.3	35.4	-9.0
Industria AE	EU	EQ	DEU	02/16	EUR	69.78	-2.4	30.5	-13.5
InternRent AE	EU	BD	DEU	02/16	EUR	37.26	5.8	2.6	10.6
CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	02/05	USD	280811.90	2.3	117.7	10.5

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

MARKETS

Chevron, BofA push stocks higher

By Kristina Peterson And Donna Kardos Yesalavich

Stocks climbed as investors returned from the long weekend with heightened risk appetites, thanks to easing concerns about European governments' debt loads and improving conditions in New York-area manufacturing.

ABREAST OF THE MARKET

The Dow Jones Industrial Average was up 126.52 points, or 1.3%, to 10225.66 in midday trade. The Nasdaq Composite climbed 1.1% to 2206.58, and the Standard & Poor's 500 index rose 1.3% to 1089.77.

Bank of America climbed 3.3% as it reported "significant gains" in the number of modified mortgages it handles through the government's Home Affordable Modification Program, designed to lower monthly payments for struggling customers.

Chevron added 2.5% following a ratings upgrade from **Bernstein Research** in addition to a rise in crude-oil futures. **Merck** gained 2.8% as its fourth-quarter profit and sales rose sharply on its recent takeover of **Schering-Plough**. The drug maker also laid out plans to cut 15% of its work force to generate cost savings from the deal.

Kraft Foods fell 2% as its fourth-quarter revenue came in slightly short of analysts' expectations.

Terra Industries jumped 22% after the U.S. fertilizer producer agreed to be acquired by Norway's **Yara International** in a $4.1 billion cash deal. The offer represents a a 23.6% premium to Terra's Friday close.

European markets

Stocks rose broadly, although Greece's benchmark fell as European finance chiefs kept pressure on Greece to make further spending cuts.

The pan-European Dow Jones Stoxx 600 index gained 1% to 244.38, its sixth increase in seven sessions.

Barclays jumped 6.8% after reporting a profit that exceeded analyst forecasts. That buoyed other banks; **Société Générale** rose 4.5%, and **Deutsche Bank** firmed 3.7%.

Among major national indexes, the U.K.'s FTSE 100 index rose 1.5% to 5244.06, the German DAX index added 1.5% at 5592.12 and the French CAC-40 index gained 1.7% to 3669.04. But the ASE Composite Index lost.7% to 1866.87 following a three-day weekend in Athens.

"We are in a wait-and-see period but the weakness in the market shows that investors were expecting more from the [European Union]" said an analyst at a local brokerage

Higher metal futures pushed up miners; **Vedanta Resources** gained 5.2% and **Xstrata** rose 3.9%, both in London.

L'Oreal declined 4.7% in Paris as sales fell short of expectations.

Riskier rivals gain ground on the dollar

By Bradley Davis

NEW YORK—The dollar declined against rivals Tuesday as investors piled into stocks and commodities, turning their backs on the low-yielding greenback.

Higher-yielding, commodity-backed currencies, such as the Australian and New Zealand dollars, were the biggest beneficiaries, both increasing more than 1% against the U.S. dollar by late morning.

CURRENCY MARKETS

In midday trade, the euro was at $1.3755 from $1.3601 late Monday. The dollar was at 90.40 yen from 89.98 yen, while the euro was at 124.35 yen from 122.36 yen.

The U.K. pound was at $1.5754 from $1.5661. The dollar was at 1.0669 Swiss francs from 1.0769 francs.

The ICE Dollar Index, which tracks the greenback against a trade-weighted basket of currencies, was at 79.72 from 80.366.

Even the recently battered euro, which is struggling under the pressure of fiscally stressed Greece, gained against the dollar as eurozone finance ministers tried to reassure markets Greece's fiscal concerns would be kept under control.

"Equity markets have done all right, so I suppose no news about Greece is good news about Greece," said John McCarthy, manager of currency trading at ING Capital Markets in New York.

Banks, resource shares lead advance in Asia

By Shri Navaratnam And Philip Vahn

Banks drove Australian stocks up after an upbeat quarterly trading update from **Westpac Banking**, while resource shares advanced in Tokyo on higher commodity prices.

Japan's Nikkei Stock Average of 225 companies finished 0.2% higher at 10034.25, Australia's S&P/ASX 200 rose 0.5% to 4567.76, India's Sensitive Index rose 1.2% to 16226.68, Indonesia's JSX Composite Index climbed 1.6% to 2558.51, and New Zealand's NZX 50 advanced 0.9% to 3087.61.

ASIAN-PACIFIC STOCKS

Trading volumes were weak on subdued activity as markets in China, Hong Kong, Taiwan and Singapore were closed for the Lunar New Year holiday. Strong early gains in Sydney couldn't be sustained as investors looked to book profits amid persistent concerns about sovereign debt in Europe.

"This is the fifth gain in six sessions for Asian markets, driven by strong financial and materials leads from London," said IG Markets research analyst Ben Potter. But "once again, profit-taking crept in, especially among the materials names. This has been the theme of late [in Australia], with few investors convinced of the sustainability of any rally."

The Australian market was lifted by Westpac, which jumped 6.2% after releasing its quarterly trading update showing a 33% jump in first-quarter cash earnings. Other banks followed Westpac's lead, with **Australia & New Zealand Banking Group** gaining 2.9% and **National Australia Bank** climbing 3%.

OneSteel tacked on 5.6% after its first-half profit beat expectations.

In Tokyo, higher crude-oil and gold prices boosted shares of **Japan Petroleum Exploration**, which climbed 2%, while commodities trading house **Marubeni** gained 1.6% and **Sumitomo Metal Mining** rose 1.8%.

Shares of **Sumitomo Corp.** were also in the spotlight, dropping 4.4% after the company launched a tender offer to increase its stake in **Jupiter Telecommunications** to 40% from 27%. The move challenges telecommunications major **KDDI**'s $4 billion offer to acquire a 38% stake in Jupiter. Jupiter shares, listed on the Jasdaq stock exchange, rose 17%.

KDDI shares gained 0.1%.

In Mumbai, **Bharti Airtel** extended its losses for a second day, dropping 4.5%, on concerns it may be overpaying for the African assets of Kuwait's Mobile Telecommunications, or Zain. Bharti is in exclusive talks to buy most of Zain's African assets for an estimated enterprise value of $10.7 billion.

In Wellington, **Sky City** rose 1.9% after the casino operator reported a 30% increase in first-half net profit. Its results boosted index heavyweight **Fletcher Building**, which is due to report its results Wednesday. Fletcher rose 2.4%.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

GAM

GAM FUND MANAGEMENT LIMITED
George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Tel +353 1 609 3927 Fax +353 1 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	02/05	USD	1292.96	4.0	26.7	-6.0
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	02/08	JPY	13721.98	-11.7	57.6	1.3
GAM Asia Equity Hedge US	OT	OT	VGB	02/08	USD	255.95	-11.8	56.3	1.3
GAM Asia Equity USD	OT	OT	VGB	02/15	USD	602.17	-7.9	57.6	-11.2
GAM Asia-Pacific Eq USD	OT	OT	VGB	02/09	USD	1230.81	-4.1	25.8	-14.8
GAM Com Glb Bal EUR Op	US	BA	VGB	02/08	EUR	94.79	-2.0	17.3	-7.9
GAM Com Glb Bal USD Op	US	BA	VGB	02/08	USD	125.26	-2.0	17.3	-7.9
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	02/08	EUR	95.26	-5.1	25.2	-14.3
GAM Comp Glb Eq USD Op	GL	EQ	VGB	02/08	USD	121.02	-5.1	25.2	-14.3
GAM Comp Glb Gr EUR Op	US	BA	VGB	02/08	EUR	85.28	-3.6	18.3	-11.6
GAM Comp Glb Gr USD Op	US	BA	VGB	02/08	USD	122.53	-3.6	18.3	-11.6
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	02/12	USD	237.45	-4.5	31.5	-8.5
GAM Cross Trading Inc	OT	OT	VGB	02/08	USD	463.70	-0.5	4.0	2.7
GAM Diversity CHF Op	OT	OT	VGB	02/08	CHF	93.78	-0.6	3.0	-5.7
GAM Diversity EUR Op	OT	OT	VGB	02/08	EUR	645.07	-0.5	3.7	-4.5
GAM Diversity USD 2.5XL	OT	OT	VGB	02/08	USD	77.14	-1.5	6.4	NS
GAM Diversity USD Op	OT	OT	VGB	02/08	USD	677.63	-0.5	3.8	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	02/08	CHF	98.94	-0.6	2.6	-5.4
GAM Dvrsty II EUR Op	OT	OT	VGB	02/08	EUR	138.04	-0.5	2.9	-4.6
GAM Dvrsty II USD Op	OT	OT	VGB	02/08	USD	209.11	-0.5	3.2	-4.6
GAM DvrstyIII EUR Op	OT	OT	VGB	02/08	EUR	114.92	-0.5	2.9	-5.1
GAM DvrstyIII USD Op	OT	OT	VGB	02/08	USD	121.37	-0.5	3.2	-5.2
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	02/08	EUR	217.71	-0.5	11.4	-3.3
GAM Euro Eq Hdg USD Op	OT	OT	VGB	02/08	USD	202.20	-0.6	12.5	-1.8
GAM European Equity USD	OT	OT	VGB	02/12	USD	266.03	-9.3	27.1	-13.1
GAM GAMCO	OT	EQ	VGB	02/09	USD	772.76	-4.7	40.7	-9.5
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	02/08	EUR	94.03	-3.9	9.9	-17.2
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	02/08	USD	99.39	-3.7	10.6	-16.4
GAM Gbl Divers USD Inc.	GL	EQ	VGB	02/08	USD	243.55	-2.5	31.9	-7.5
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	02/08	USD	252.20	-12.0	93.4	18.7
GAM Intrst Trend II	GL	BD	VGB	02/08	USD	102.35	8.7	62.1	-4.9
GAM Intrst Trend Inc	OT	OT	VGB	02/08	USD	272.95	8.5	75.0	-2.9
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	02/08	EUR	119.86	2.7	10.7	-3.6
GAM Japan Eq Hdg USD Op	OT	OT	VGB	02/08	USD	122.85	0.7	16.0	-14.2
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	02/08	JPY	8463.59	0.7	16.3	-15.9
GAM Japan USD	JP	EQ	VGB	02/15	USD	1105.09	0.2	23.1	-13.2
GAM Japan YEN	JP	EQ	VGB	02/15	JPY	8728.96	-1.1	24.3	-19.2
GAM Money Mkt EuroOp	EU	MM	VGB	02/12	EUR	51.15	0.1	0.1	1.5
GAM Money Mkt USD	US	MM	VGB	02/11	USD	99.99	0.1	0.0	0.7
GAM Multi-Arb EUR Op	OT	OT	VGB	02/08	EUR	112.44	1.1	1.3	-6.2
GAM Multi-Arb USD Op	OT	OT	VGB	02/08	USD	117.31	1.1	1.5	-8.7
GAM Multi-China EUR Op	OT	OT	VGB	02/08	EUR	159.49	-5.0	6.3	-2.5
GAM Multi-China USD Op	OT	OT	VGB	02/08	USD	168.13	-4.8	7.2	-2.5
GAM Multi-Emer Mkts GBP	OT	OT	VGB	02/08	GBP	127.87	-2.8	22.5	-2.4
GAM Multi-Emer Mkts USD	OT	OT	VGB	02/08	USD	633.36	-2.7	22.6	-2.5
GAM Multi-Eur EUR Op	OT	OT	VGB	02/08	EUR	264.64	-1.6	4.6	-7.3
GAM Multi-Eur II EUR Op	OT	OT	VGB	02/08	EUR	136.17	-1.6	4.6	-4.3
GAM Multi-Eur II USD Op	OT	OT	VGB	02/08	USD	111.38	-1.5	4.4	-4.9
GAM Multi-Eur USD Op	OT	OT	VGB	02/08	USD	460.58	-1.5	4.4	-8.2
GAM Multi-Nth Am EUR Special	OT	OT	VGB	02/08	EUR	133.19	-0.6	9.4	-4.5
GAM Multi-Nth Am USD Special	OT	OT	VGB	02/08	USD	216.77	-0.6	9.7	-4.4
GAM Multi-Pac EUR Op	GL	EQ	VGB	02/08	EUR	138.85	-3.2	0.6	-2.5
GAM Multi-Pac USD Op	OT	OT	VGB	02/08	USD	160.44	-3.0	1.0	-2.5
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	02/05	USD	2617.59	-0.8	56.7	9.3
GAM Sing/Malaysia	AS	EQ	VGB	02/15	USD	2380.57	-5.7	54.8	-9.9
GAM Sterling Spe Bd Inc	OT	OT	VGB	02/08	GBP	238.61	3.7	47.6	5.7
GAM Trading EUR Inc	OT	OT	VGB	02/08	EUR	323.56	-0.5	3.6	3.2
GAM Trading USD Inc	OT	OT	VGB	02/08	USD	968.58	-0.5	4.0	2.8
GAM Trdg II IncEUR Op	OT	OT	VGB	02/08	EUR	138.40	-0.5	3.5	3.2
GAM Trdg II IncUSD Op	OT	OT	VGB	02/08	USD	314.50	-0.5	4.0	2.8
GAM Trdg IV IncEUR Op	OT	OT	VGB	02/08	EUR	145.99	-0.5	3.3	4.5
GAM Trdg IV IncUSD Op	OT	OT	VGB	02/08	USD	153.76	-0.5	3.8	4.1
GAM Trdg V IncEUR Op	OT	OT	VGB	02/08	EUR	123.78	-0.5	3.3	4.4
GAM Trdg V IncUSD Op	OT	OT	VGB	02/08	USD	129.00	-0.5	3.8	4.0
GAM TrdgIII IncEUR Op	OT	OT	VGB	02/08	EUR	156.09	-0.6	3.3	3.0
GAM TrdgIII IncUSD Op	OT	OT	VGB	02/08	USD	161.73	-0.5	3.8	2.7
GAM USDSpecBondInc	US	BD	VGB	02/08	USD	553.73	4.5	80.7	8.8
GAM Worldwide	GL	EQ	VGB	02/12	USD	2068.97	-7.0	31.3	-9.9
GAMut Investments	OT	OT	VGB	02/10	USD	7580.41	0.0	1.6	6.8

GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	02/15	CHF	10.56	-4.3	43.0	-12.0
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	02/15	EUR	11.55	-3.1	48.5	-7.1
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	02/15	GBP	1.49	-5.0	44.0	0.2
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	02/15	USD	12.34	-8.0	57.3	-10.3
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	02/12	EUR	102.82	1.7	25.3	-7.8
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	02/12	EUR	99.51	1.7	25.3	-7.8
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	02/12	EUR	10.46	-4.8	23.4	-7.7
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	02/12	EUR	174.93	-4.5	22.3	-10.2
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	02/12	EUR	159.84	-4.5	22.2	-10.2
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	02/12	USD	14.54	-9.1	29.3	-12.9
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	02/12	USD	13.19	-9.1	29.2	-12.9
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	02/12	USD	5.50	0.2	36.9	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	02/12	EUR	91.40	3.9	19.8	-6.3
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	02/12	EUR	91.40	3.9	19.8	-6.3
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	02/12	JPY	919.41	-0.2	25.7	-16.5
GAMStar-JpnEq USD Acc	JP	EQ	IRL	02/12	USD	11.25	1.2	22.8	-10.9
GAMStar-World EqUSD Acc	GL	EQ	IRL	02/12	USD	2084.26	-6.9	32.3	-9.4

LIST YOUR FUNDS

In print & online. Contact:
carson.wong@dowjones.com

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

Manulife WEALTH MANAGEMENT 宏利財富管理

MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	02/16	USD	14.64	-4.1	27.0	-10.6
American Growth AA	US	EQ	LUX	02/16	USD	0.84	-4.1	26.6	-8.2
Asian Equity	AS	EQ	LUX	02/16	USD	2.28	-6.8	62.1	-9.7
Asian Equity AA	AS	EQ	LUX	02/16	USD	0.74	-6.8	61.5	-10.0
Asian Sm Cap Equity AA	AS	EQ	LUX	02/16	USD	1.11	-4.0	91.4	-3.2
China Value A	AS	EQ	LUX	02/16	USD	6.50	-8.7	53.6	-6.6
China Value AA	AS	EQ	LUX	02/16	USD	2.04	-8.7	53.2	-6.8
Dragon Growth	AS	EQ	LUX	02/16	USD	1.53	-7.1	59.1	-8.3
Dragon Growth AA	OT	OT	LUX	02/16	HKD	7.44	-6.9	59.2	-9.2
Emg Eastrn Europe A	EU	EQ	LUX	02/16	USD	4.46	-3.3	111.5	-15.4
Emg Eastrn Europe AA	EU	EQ	LUX	02/16	USD	1.92	-3.4	111.1	-15.6
European Growth	EU	EQ	LUX	02/16	USD	8.41	-8.2	49.6	-16.1
European Growth AA	EU	EQ	LUX	02/16	USD	0.60	-8.2	49.2	-16.3
Global Contrarain AA	GL	EQ	LUX	02/16	USD	0.89	0.7	99.4	NS
Global Property AA	OT	EQ	LUX	02/16	USD	0.64	-5.2	65.3	-13.2
Global Resources AA	OT	EQ	LUX	02/16	USD	1.03	-5.2	39.1	-14.3
Healthcare AA	OT	EQ	LUX	02/16	USD	0.93	-1.9	12.9	NS
India Equity AA	EA	EQ	LUX	02/16	USD	1.03	-6.4	74.2	-15.2
International Growth	GL	EQ	LUX	02/16	USD	2.90	-4.9	26.4	-14.1
International Growth AA	GL	EQ	LUX	02/16	USD	0.67	-5.0	26.1	-14.3
Japanese Growth	JP	EQ	LUX	02/16	USD	2.72	-1.3	20.1	-11.5
Japanese Growth AA	JP	EQ	LUX	02/16	USD	0.72	-0.6	20.6	-11.4
Latin America Equity AA	GL	EQ	LUX	02/16	USD	1.19	-7.5	79.7	-6.4
Manulife GF Strategic Income Fund AA	OT	OT	NA	02/16	USD	1.00	0.0	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	02/16	USD	1.10	-3.2	NS	NS
Russia Equity AA	EE	EQ	LUX	02/16	USD	0.65	4.6	129.3	-19.0
Taiwan Equity AA	AS	EQ	LUX	02/10	USD	0.97	-10.4	74.8	0.3
Turkey Equity AA	EE	EQ	LUX	02/16	USD	0.76	-1.5	136.5	-4.3
U.S. Bond AA	US	BD	LUX	02/16	USD	1.12	1.5	17.8	8.1
U.S. Sm Cap Equity AA	US	EQ	LUX	02/16	USD	0.84	2.4	70.0	-8.8
U.S. Special Opportunities	OT	OT	LUX	02/16	USD	0.85	4.4	93.0	5.3
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	02/16	USD	1.14	0.1	7.8	2.1

PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	02/03	USD	131.37	3.2	127.9	-0.6

Sensible Asset Management
A Value Partners Group company

SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	02/11	USD	7.71	-3.9	82.7	-2.4

SOCIETE GENERALE Asset Management

SG ASSET MANAGEMENT (HK) LTD
Hotline in Hong Kong 2166 5099
A company of Amundi Group
www.sgam.com

Bonds Eur Hi Yld A	OT	OT	LUX	02/12	EUR	20.87	1.4	49.0	4.4
Bonds EURO A	OT	OT	LUX	02/15	EUR	41.34	0.7	4.7	4.5
Bonds EUROPE A	OT	OT	LUX	02/15	EUR	39.50	1.0	3.6	4.1
Bonds US OppsCoreplus A	OT	OT	LUX	02/12	USD	37.32	1.1	14.6	7.9
Bonds World A	OT	OT	LUX	02/15	USD	41.52	-1.1	9.4	4.1
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	02/15	USD	9.62	-7.7	59.2	-10.7
Eq. China A	AS	EQ	LUX	02/12	USD	21.72	-10.0	54.6	-9.1
Eq. Concentrated Euroland A	OT	OT	LUX	02/15	EUR	85.53	-8.0	16.8	-16.6
Eq. ConcentratedEuropeA	EU	EQ	LUX	02/12	EUR	25.37	-6.1	28.4	-15.8
Eq. Emerging Europe A	OT	OT	LUX	02/15	EUR	23.72	0.7	83.3	-21.3
Eq. Euroland A	EU	EQ	LUX	02/15	EUR	10.02	-7.5	17.5	-17.0
Eq. Euroland Small Cap A	OT	OT	LUX	02/15	EUR	135.01	-4.4	34.0	-8.9
Eq. EurolandCyclclsA	EU	EQ	LUX	02/15	EUR	17.13	-3.7	26.5	-12.1
Eq. EurolandFinancialA	OT	EQ	LUX	02/15	EUR	9.91	-12.4	38.7	-19.6
Eq. Glbl Emg Cty A	GL	EQ	LUX	02/15	USD	8.70	-10.1	53.0	-16.4
Eq. Global A	GL	EQ	LUX	02/15	USD	26.38	-5.3	34.5	-11.9
Eq. Global Energy A	OT	EQ	LUX	02/12	USD	17.07	-5.9	23.3	-13.8
Eq. Global Resources A	OT	OT	LUX	02/15	USD	102.76	-5.9	39.9	-13.2
Eq. Gold Mines A	OT	EQ	LUX	02/12	USD	28.46	-6.1	28.6	-4.7
Eq. India A	OT	OT	LUX	02/15	USD	120.94	-7.5	66.4	-16.1
Eq. Japan CoreAlpha A	OT	OT	LUX	02/15	JPY	7270.34	0.2	34.0	-9.1
Eq. Latin America A	OT	OT	LUX	02/15	USD	106.46	-8.4	65.5	-12.1
Eq. US Lg Cap Gr A	US	EQ	LUX	02/12	USD	14.58	-4.4	32.9	-10.3
Eq. US Rel Val A	US	EQ	LUX	02/12	USD	19.87	-3.5	36.8	-13.2
Eq. US Sm Cap Val A	US	EQ	LUX	02/12	USD	15.56	-2.5	30.4	-17.1
Money Market EURO A	EU	MM	LUX	02/12	EUR	27.41	0.0	0.7	2.4
Money Market USD A	US	MM	LUX	02/12	USD	15.83	0.0	0.4	1.4

The National Investor

THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	02/11	USD	921.37	-4.1	6.6	-28.6
TNI MENA Special Sits Fund	OT	OT	BMU	01/31	USD	1091.50	1.1	13.6	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	02/11	AED	5.06	-5.1	28.4	-34.3

Value Partners
Investing through discipline

WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487
**formerly known as China ABH Shares Fund*

Intel-Chin MainInd Foc	AS	EQ	CYM	01/29	USD	28.14	-5.7	85.5	2.1
Intel-China Converg*	AS	EQ	CYM	01/29	USD	107.04	-6.1	85.8	1.1
VP Classic - A	AS	EQ	CYM	02/11	USD	176.37	-5.4	72.4	1.0
VP CLassic - B	AS	EQ	CYM	02/11	USD	82.16	-5.5	71.5	0.5
VP High Dividend Stk	AS	EQ	CYM	02/08	USD	43.34	-4.6	79.8	2.1

yuki
Yuki Management & Research
Tel +81-3-5299-3277 www.yukijapan.co.jp

YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

YMR-N Series

YMR-N Growth Fund	OT	OT	IRL	02/15	JPY	8891.00	-6.0	19.9	-20.5
YMR-N Small Cap Fund	OT	OT	IRL	02/15	JPY	6576.00	-6.2	17.4	-20.4

Yuki 77 Series

Yuki 77 General	JP	EQ	IRL	02/16	JPY	5727.00	-6.9	10.1	-24.4
Yuki 77 Growth	JP	EQ	IRL	02/16	JPY	5255.00	-6.9	5.5	-27.9

Yuki Chugoku Series

Yuki Chugoku Jpn Gen	JP	EQ	IRL	02/16	JPY	6520.00	-4.5	18.2	-20.2
Yuki Chugoku JpnLowP	JP	EQ	IRL	02/16	JPY	7406.00	-1.8	6.5	-18.7

Yuki Hokuyo Japan Series

Yuki Hokuyo Jpn Gen	JP	EQ	IRL	02/16	JPY	4474.00	-4.3	13.0	-23.8
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	02/16	JPY	5092.00	-3.0	12.3	-18.5
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	02/16	JPY	4738.00	-7.2	14.7	-19.9

Yuki Mizuho Series

Yuki Mizuho Gen Jpn III	OT	OT	IRL	02/16	JPY	4130.00	-6.6	13.4	-28.0
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	02/16	JPY	4340.00	-7.0	12.8	-28.3
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	02/16	JPY	6517.00	-6.5	23.5	-22.6
Yuki Mizuho Jpn Gen	OT	OT	IRL	02/16	JPY	8118.00	-5.8	18.4	-20.6
Yuki Mizuho Jpn Gro	OT	OT	IRL	02/16	JPY	5968.00	-6.1	11.9	-22.6
Yuki Mizuho Jpn Inc	OT	OT	IRL	02/16	JPY	7356.00	-3.6	4.7	-20.8
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	02/16	JPY	4951.00	-4.6	16.5	-21.9
Yuki Mizuho Jpn LowP	OT	OT	IRL	02/16	JPY	11146.00	-3.6	16.5	-15.6
Yuki Mizuho Jpn PGth	OT	OT	IRL	02/16	JPY	7347.00	-7.7	12.5	-25.8
Yuki Mizuho Jpn SmCp	OT	OT	IRL	02/16	JPY	6543.00	-8.3	21.5	-21.9
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	02/16	JPY	5431.00	-3.8	18.1	-18.2
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	02/16	JPY	2598.00	-4.7	18.9	-25.8

Yuki Shizuoka Japan Series

Yuki Shizuoka General Japan	JP	EQ	IRL	02/16	JPY	5134.00	-5.3	17.9	-21.6

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Sweden	0.83%	-1.9%	50.7%
South Africa	0.83	-2.2	26.6
Switzerland	0.43	-2.5	37.4
Japan	0.28	-2.7	19.4
U.K.	1.04	-3.5	30.3
Netherlands	-0.10	-3.9	42.8
Russia	2.03	-4.0	92.1
Turkey	0.73	-4.1	108.0
Singapore	-0.04	-4.8	71.3
South Korea	0.17	-5.4	45.6
Australia	0.84	-5.9	30.9
Hong Kong	Closed	-7.0	51.2
Germany	0.64	-7.3	25.7
France	0.55	-8.3	27.8
Italy	0.01	-8.6	29.5
Brazil	1.32	-9.3	97.6
China 88	Closed	-10.2	28.8
Spain	-0.08	-12.0	20.3

Dow Jones Regional Sector Titans

Arab 50	1.10%	5.0%	32.6%
Travel Leisure	1.00	1.5	37.8
Nordic 30 -p	-0.33	0.7	35.3
Pers H'hold Gds	-0.05	0.1	37.7
EU Enlarged†-p	1.49	-2.7%	71.2
Asian 50	0.88	-3.6	43.1
Stoxx 50 -p	0.61	-5.8	25.6
Global 50	0.40	-5.9	32.3
Tiger 50*	0.23	-6.9	65.8
Euro Stoxx 50 -p	0.35	-9.5	22.3

*Asia excluding Japan †15 companies from the new EU countries; Cyprus, CzechRepublic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Dow Jones Indexes

Dow Jones Asia Titans: Tuesday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Westpac Bking	Australia	Banks	$64.7	24.74	6.18%	47.4%	-3.6%
National Australia Bk	Australia	Banks	47.1	25.04	3.00	40.0	-38.4
Aus NZ Bk	Australia	Banks	47.5	21.10	2.93	69.9	-29.0
POSCO	South Korea	Iron Steel	35.9	544,000	1.87	55.4	47.0
Panasonic	Japan	Consumer Electronics	29.5	1,284	1.42	20.2	-47.2
KB Fncl Group	South Korea	Banks	$16.7	50,000	-1.96%	68.0	-40.9
Nintendo	Japan	Toys	34.7	24,430	-1.37	-12.4	-23.1
QBE Ins Grp	Australia	Reinsurance	20.7	22.45	-1.32	-1.4	-28.1
Japan Tobacco	Japan	Tobacco	34.0	319,000	-0.62	35.3	-41.0
Seven I Hldgs	Japan	Broadline Retailers	19.4	1,930	-0.62	-16.8	-48.8

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Honda Motor Japan (Automobiles)	61.4	3,025	1.34%	36.0%	-35.4%
Mitsui Japan (Industrial Suppliers)	26.9	1,338	1.29	43.4	-36.7
Canon Japan (Electronic Office Equipment)	48.8	3,560	0.85	50.5	-46.2
NTT DoCoMo Japan (Mobile Telecommunications)	64.3	138,600	0.80	-9.7	-37.0
Samsung Elec South Korea (Semiconductors)	97.0	756,000	0.80	54.1	26.0
Toyota Motor Japan (Automobiles)	118.2	3,380	0.75	12.3	-58.7
Tokyo Elec Power Japan (Conventional Electricity)	36.8	2,456	0.74	-9.7	-41.4
Tokio Marine Hldgs Japan (Property Casualty Insurance)	21.2	2,428	0.71	12.7	-46.2
Nissan Motor Japan (Automobiles)	32.7	722.00	0.70	153.3	-48.5
East Japan Railway Japan (Travel Tourism)	25.9	5,900	0.68	2.3	-34.3
Nippon T&T Japan (Fixed Line Telecommunications)	58.1	3,955	0.64	-6.9	-38.9
Mizuho Financial Grp Japan (Banks)	26.7	171.00	0.59	-14.5	-80.4
Mitsubishi Japan (Industrial Suppliers)	40.2	2,205	0.59	75.7	-14.5
Nippon Steel Japan (Iron Steel)	22.2	318.00	0.32	22.8	-59.5
Woodside Petroleum Australia (Exploration Production)	27.9	43.31	0.25	33.7	16.5
Kansai Elec Power Japan (Conventional Electricity)	22.1	2,085	0.14	-9.4	-41.4
Takeda Pharm Japan (Pharmaceuticals)	34.3	3,910	0.13	-3.2	-52.3
KDDI Japan (Mobile Telecommunications)	24.3	494,000	0.10	-3.5	-47.3
RioZim Ltd Australia (General Mining)	38.5	70.58	0.01	78.6	13.1
Cheung Kong Hong Kong (Real Estate Holding Development)	28.4	95.15	Closed	45.3	-6.3

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
China Mobile (HK) Hong Kong (Mobile Telecommunications)	193.7	75.70	Closed	7.2%	1.2%
Hutchison Whampoa Hong Kong (Diversified Industrials)	30.2	55.05	Closed	41.5	-30.8
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	34.0	103.10	Closed	65.6	6.0
PetroChina Hong Kong (Integrated Oil Gas)	23.4	8.61	Closed	43.5	-10.1
Hon Hai Precision Ind Taiwan (Electrical Components Equipment)	35.8	134.50	Closed	142.1	-4.7
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	47.2	58.40	Closed	34.0	-11.9
CNOOC Hong Kong (Exploration Production)	70.0	12.18	Closed	76.8	86.5
JFE Hldgs Japan (Iron Steel)	18.2	3,095	Closed	44.6	-58.8
China Life Ins Hong Kong (Life Insurance)	32.8	34.25	Closed	54.3	46.1
China Constr Bk Hong Kong (Banks)	172.4	5.96	Closed	56.4	21.6
Indl Comm Bk China Hong Kong (Banks)	59.7	5.58	Closed	65.6	20.0
Sumitomo Mitsui Finl Japan (Banks)	42.1	2,811	-0.04%	-14.0	-76.6
Shin-Etsu Chml Japan (Specialty Chemicals)	22.8	4,845	-0.10	19.6	-36.1
Shinhan Financial Grp South Korea (Banks)	17.3	41,950	-0.12	73.3	-22.4
Commonwlth Bk of Aus Australia (Banks)	70.3	51.51	-0.14	77.6	2.0
Woolworths Australia (Food Retailers Wholesalers)	28.4	25.69	-0.16	-7.3	2.0
Sony Japan (Consumer Electronics)	33.5	3,030	-0.16	82.5	-51.5
Westfield Grp Australia (Retail REITs)	24.7	11.92	-0.17	15.7	-47.4
Mitsubishi UFJ Finl Japan (Banks)	68.5	444.00	-0.22	-1.6	-70.4
BHP Billiton Australia (General Mining)	122.2	40.55	-0.27	27.8	38.1

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.06%	-1.81%	-0.7%	-1.9%	4.0%
Event Driven	-0.20	-2.27	0.8	-1.2	12.0
Equity Long/Short	0.46	-2.34	1.1	-0.5	3.0

*Estimates as of 02/11/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.93	100.30%	0.01%	1.00	0.65	0.83
Eur. High Volatility: 12/1	1.39	98.27	0.01	1.76	0.92	1.30
Europe Crossover: 12/1	5.10	99.60	0.05	6.15	3.79	4.95
Asia ex-Japan IG: 12/1	1.15	99.33	0.01	1.34	0.87	1.07
Japan: 12/1	1.53	97.56	0.01	1.68	0.99	1.35

Note: Data as of February 15

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Hongkong Ld	80	-5	-10	14
Nomura Hldgs	209	-3	8	11
Mitsubishi	63	-2	3	14
Yamaha Mtr	100	-1	1	24
Cen Japan Rwy	45	-1	14	20
Hyundai Cap Services	140	-1	-14	14
Citizen Hldgs	72	-1	1	14
Korea Exchange Bk	139	-1	-9	27
Fuji Heavy Inds	154	-1	4	37
Acom	286	...	-7	52

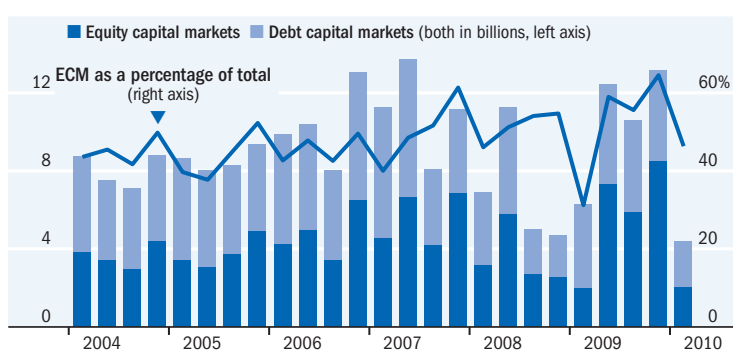
And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Oji Paper	77	4	12	16
Nippon Paper Inds	117	5	15	32
Toshiba	171	5	6	31
Sekisui House	90	8	5	20
Taisei	367	8	5	25
Kawasaki Kisen Kaisha	237	9	-13	10
Kajima	397	10	11	46
Obayashi	245	11	20	52
Promise	679	20	1	105
Sanyo Shinpan Fin	678	28	-5	103

Source: Markit Group

Behind global deals: Bank revenues from equity capital markets

Behind every IPO, follow-on or convertible equity offering is one or more investment banks. At right, investment banks historical and year-to-date revenues from global equity-capital-market (ECM) deals



Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	378.75	5.50	1.47%	714.00	325.00
Soybeans (cents/bu.)	CBOT	971.50	17.50	1.83	1,087.50	819.75
Wheat (cents/bu.)	CBOT	514.00	12.75	2.54	745.00	472.00
Live cattle (cents/lb.)	CME	90.775	-0.775	-0.85%	95.175	85.050
Cocoa ($/ton)	ICE-US	3,152	49	1.58	3,514	2,066
Coffee (cents/lb.)	ICE-US	136.20	1.90	1.41	190.40	118.30
Sugar (cents/lb.)	ICE-US	26.77	0.44	1.67	29.00	11.90
Cotton (cents/lb.)	ICE-US	76.14	1.23	1.64	94.00	51.38
Crude palm oil (ringgit/ton)	MDEX	2,579.00	unch.	unch.	2,743	0
Cocoa (pounds/ton)	LIFFE	2,284	6	0.26	2,356	1,475
Robusta coffee ($/ton)	LIFFE	1,314	-4	-0.30	1,605	1,309
Copper (cents/lb.)	COMEX	321.00	10.80	3.48	355.00	140.00
Gold ($/troy oz.)	COMEX	1118.10	28.60	2.63	1,229.00	785.10
Silver (cents/troy oz.)	COMEX	1605.50	60.80	3.94	2,011.50	1,045.00
Aluminum ($/ton)	LME	2,080.00	15.00	0.73	2,356.50	1,288.00
Tin ($/ton)	LME	16,600.00	200.00	1.22	18,250.00	9,945.00
Copper ($/ton)	LME	6,965.00	115.00	1.68	7,695.00	3,171.00
Lead ($/ton)	LME	2,218.00	73.00	3.40	2,615.00	995.00
Zinc ($/ton)	LME	2,235.00	37.00	1.68	2,659.00	1,086.00
Nickel ($/ton)	LME	19,705	655	3.44	21,150	9,475
Crude oil ($/bbl.)	NYMEX	76.94	2.81	3.79	116.70	51.00
Heating oil ($/gal.)	NYMEX	1.9964	0.0775	4.04	3.5280	1.3800
RBOB gasoline ($/gal.)	NYMEX	2.1220	0.0682	3.32	2.2972	1.4475
Natural gas ($/mmBtu)	NYMEX	5.472	0.025	0.46	10.800	4.595
Brent crude ($/bbl.)	ICE-EU	75.62	3.11	4.29	83.58	51.55
Gas oil ($/ton)	ICE-EU	611.00	27.00	4.62	688.00	502.25

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com**
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email**

Currencies

London close on Feb. 16

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2909	0.1890	3.8613	0.2590
Brazil real	2.5274	0.3957	1.8445	0.5422
Canada dollar	1.4288	0.6999	1.0427	0.9590
1-mo. forward	1.4288	0.6999	1.0428	0.9590
3-mos. forward	1.4290	0.6998	1.0429	0.9589
6-mos. forward	1.4291	0.6997	1.0429	0.9588
Chile peso	723.56	0.001382	528.05	0.001894
Colombia peso	2637.18	0.0003792	1924.60	0.0005196
Ecuador US dollar-f	1.3703	0.7298	1	1
Mexico peso-a	17.6392	0.0567	12.8730	0.0777
Peru sol	3.9045	0.2561	2.8495	0.3509
Uruguay peso-e	26.925	0.0371	19.650	0.0509
U.S. dollar	1.3703	0.7298	1	1
Venezuela bolivar	5.88	0.169931	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.5253	0.6556	1.1132	0.8984
China yuan	9.3620	0.1068	6.8323	0.1464
Hong Kong dollar	10.6477	0.0939	7.7706	0.1287
India rupee	63.2165	0.0158	46.1350	0.0217
Indonesia rupiah	12757	0.0000784	9310	0.0001074
Japan yen	123.69	0.008085	90.27	0.011078
1-mo. forward	123.68	0.008086	90.26	0.011079
3-mos. forward	123.63	0.008088	90.23	0.011083
6-mos. forward	123.54	0.008094	90.16	0.011091
Malaysia ringgit-c	4.6936	0.2131	3.4254	0.2919
New Zealand dollar	1.9487	0.5132	1.4222	0.7032
Pakistan rupee	116.197	0.0086	84.800	0.0118
Philippines peso	63.086	0.0159	46.040	0.0217
Singapore dollar	1.9263	0.5191	1.4058	0.7113
South Korea won	1574.42	0.0006352	1149.00	0.0008703
Taiwan dollar	43.999	0.02273	32.110	0.03114
Thailand baht	45.451	0.02200	33.170	0.03015

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7298	1.3703
1-mo. forward	1.0001	0.9999	0.7298	1.3702
3-mos. forward	1.0002	0.9998	0.7299	1.3700
6-mos. forward	1.0005	0.9995	0.7302	1.3695
Czech Rep. koruna-b	26.002	0.0385	18.976	0.0527
Denmark krone	7.4437	0.1343	5.4324	0.1841
Hungary forint	271.93	0.003677	198.45	0.005039
Norway krone	8.0509	0.1242	5.8755	0.1702
Poland zloty	3.9953	0.2503	2.9158	0.3430
Russia ruble-d	41.234	0.02425	30.092	0.03323
Sweden krona	9.8977	0.1010	7.2233	0.1384
Switzerland franc	1.4678	0.6813	1.0712	0.9335
1-mo. forward	1.4675	0.6814	1.0710	0.9337
3-mos. forward	1.4669	0.6817	1.0705	0.9341
6-mos. forward	1.4657	0.6823	1.0697	0.9349
Turkey lira	2.0700	0.4831	1.5107	0.6620
U.K. pound	0.8740	1.1441	0.6379	1.5678
1-mo. forward	0.8742	1.1439	0.6380	1.5674
3-mos. forward	0.8746	1.1434	0.6383	1.5668
6-mos. forward	0.8751	1.1427	0.6387	1.5658
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5166	1.9359	0.3770	2.6526
Egypt pound-a	7.5220	0.1329	5.4895	0.1822
Israel shekel	5.1227	0.1952	3.7385	0.2675
Jordan dinar	0.9705	1.0304	0.7083	1.4119
Kuwait dinar	0.3950	2.5314	0.2883	3.4686
Lebanon pound	2057.43	0.0004860	1501.50	0.0006660
Saudi Arabia riyal	5.1385	0.1946	3.7501	0.2667
South Africa rand	10.5478	0.0948	7.6978	0.1299
United Arab dirham	5.0261	0.1990	3.6681	0.2726
SDR -f	0.8910	1.1224	0.6502	1.5379

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	Net change	Percentage change	PERFORMANCE Yr.-to-date	52-wk.
51	**ASIA-PACIFIC**	**DJ Asia-Pacific**	119.08	0.61	0.51%	-3.2%	45.1%
...	Australia	SPX/ASX 200	4567.76	22.31	0.49	-6.2	31.9
...	China	CBN 600	26845.32		Closed	-7.6	37.1
18	Hong Kong	Hang Seng	20268.69		Closed	-7.3	56.6
18	India	Sensex	16226.68	188.33	1.17	-7.1	79.6
...	Indonesia	Jakarta Composite	2558.505	41.049	1.63	1.0	94.1
...	Japan	Nikkei Stock Average	10034.25	20.95	0.21	-4.9	31.2
...		Topix	885.17	1.70	0.19	-2.5	17.0
...	Malaysia	Kuala Lumpur Composite	1253.39		Closed	-1.5	39.5
...	New Zealand	NZSX-50	3087.607	28.074	0.92	-4.4	15.5
9	Pakistan	KSE 100	9769.68	67.87	0.70	4.1	67.3
14	Philippines	Manila Composite	2967.71	4.47	0.15	-2.8	56.2
...	Singapore	Straits Times	2758.90		Closed	-4.8	68.4
11	South Korea	Kospi	1601.05	7.39	0.46	-4.9	42.0
20	Taiwan	Weighted	7441.84		Closed	-9.1	65.7
10	Thailand	SET	692.73	3.64	0.53	-5.7	58.1
58	**EUROPE**	**DJ Stoxx 600**	244.23	2.31	0.95	-3.5	32.7
23		**DJ Stoxx 50**	2463.92	27.26	1.12	-4.5	30.1
70	**Euro Zone**	**DJ Euro Stoxx**	255.67	2.91	1.15%	-7.0%	29.4%
21		**DJ Euro Stoxx 50**	2718.41	34.58	1.29	-8.4	27.9
21	Denmark	**OMX Copenhagen**	332.41	3.62	1.10	5.3	39.9
19	Finland	**OMX Helsinki**	6516.17	72.81	1.13	0.9	33.7
16	France	**CAC-40**	3669.04	59.82	1.66	-6.8	27.6
19	Germany	**DAX**	5592.12	81.02	1.47	-6.1	32.6
13	Italy	**FTSE MIB**	21289.20	166.73	0.79	-8.4	27.3
...	Netherlands	**AEX**	318.84	2.98	0.94	-4.9	33.9
...	Russia	**RTSI**	1418.16	42.17	3.06	-0.6	156.9
10	Spain	**IBEX 35**	10393.9	100.3	0.97	-12.9	32.5
13	Switzerland	**SMI**	6497.66	56.90	0.88	-0.7	31.5
...	Turkey	**ISE National 100**	51748.50	414.08	0.81	-2.0	116.5
13	U.K.	**FTSE 100**	5244.06	76.59	1.48	-3.1	30.0
18	**AMERICAS**	**DJ Americas**	288.32	2.15	0.75	-2.8	42.8
...	Brazil	**Bovespa**	65854.97		Closed	-4.0	64.4
...	Argentina	**Merval**	2302.59	25.76	1.13	-0.8	116.6
20	Mexico	**IPC**	31450.10	411.78	1.33	-2.1	66.5

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones and Dow Jones Stoxx Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
2.24%	20	**DJ Global Index**	216.73	1.58	0.73%	-4.5%	44.6%	-9.0%
1.94	20	**Global DOW**	1865.51	10.03	0.54	-6.0	41.6	-5.9
2.39		**Asia/Pacific 600**	112.55	0.56	0.50	-1.9	36.1	-10.0
1.83	15	**Emerging Markets**	262.95	2.04	0.78	-6.1	80.6	0.1
2.20	51	**Asia/Pacific**	119.08	0.62	0.52	-3.2	45.1	-8.1
2.48	17	**Asia/Pacific ex-Japan**	296.51	2.44	0.83	-6.0	78.6	-2.6
2.67	22	**Southeast Asia**	150.82	0.57	0.38	-6.3	78.8	-1.1
0.88	27	**CBN China 600** -c	26845.32	Closed	...	-7.6	37.1	8.7
0.90	30	**Shanghai**	360.75	Closed	...	-6.9	37.1	8.9
0.60	45	**Shenzhen**	392.71	Closed	...	-5.7	54.0	14.9
2.37	18	**China Offshore 50**	3757.19	2.32	0.06	-7.9	56.6	4.2
7.81	9	**Australia LPT** -c, d	1121.98	0.66	0.06	-3.5	33.1	-23.8
2.15%	14	**Islamic Market**	1902.53	14.87	0.79%	-3.7%	40.7%	-3.8%
2.45	15	**Islamic Market 100**	2037.77	14.00	0.69	-3.9	29.8	-4.3
9.33		**Bahrain**	125.87	0.00	0.00	3.4	-7.1	-11.7
2.60	48	**Kuwait**	216.42	5.58	2.65	11.2	19.6	-13.4
2.69	18	**Sustainability**	948.30	8.26	0.88	-6.4	44.0	-10.2
2.53	58	**Stoxx 600 -p**	245.64	0.65	0.27	-9.7	36.2	-13.1
4.09	18	**Stoxx Select Div 30 -p**	1606.20	-0.70	-0.04	-10.6	32.5	-25.4
3.67	25	**Euro Stoxx Sel Div 30 -p**	1904.62	3.56	0.19	-10.5	40.9	-21.6
1.80	24	**DJ U.S. TSM**	11224.87	75.47	0.68	-2.4	40.1	-8.7
4.33	14	**U.S. Select Dividend -d**	640.65	5.68	0.89	-1.5	42.1	-11.6
5.09		**U.S. REIT**	138.37	2.02	1.48	-4.8	61.8	-21.9
		DJ-UBS Commodity -p	131.00	-0.69	-0.52	-5.9	21.1	-7.2

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.113	0.638	1.043	6.832	0.730	7.771	46.135	9310.12	90.270	1.422	1149.00	3.425	46.040	1.406	1.071	32.110	33.170
Australia	0.898		0.573	0.937	6.138	0.656	6.981	41.445	8363.75	81.094	1.278	1032.21	3.077	41.360	1.263	0.962	28.846	29.798
Britain	1.568	1.745		1.635	10.711	1.144	12.182	72.328	14595.94	141.521	2.230	1801.35	5.370	72.179	2.204	1.679	50.340	52.002
Canada	0.959	1.068	0.612		6.553	0.700	7.452	44.246	8928.86	86.573	1.364	1101.95	3.285	44.155	1.348	1.027	30.795	31.812
China	0.1464	0.163	0.093	0.153		0.107	1.137	6.752	1362.66	13.212	0.208	168.17	0.501	6.739	0.206	0.157	4.700	4.855
Euro	1.370	1.525	0.874	1.429	9.362		10.648	63.216	12757.19	123.692	1.949	1574.42	4.694	63.086	1.926	1.468	43.999	45.451
Hong Kong	0.129	0.143	0.082	0.134	0.879	0.094		5.937	1198.12	11.617	0.183	147.87	0.441	5.925	0.181	0.138	4.132	4.269
India	0.0217	0.0241	0.0138	0.0226	0.1481	0.0158	0.1684		201.80	1.9566	0.0308	24.91	0.0742	0.9979	0.0305	0.0232	0.6960	0.7190
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0050		0.0097	0.0002	0.12	0.0004	0.0049	0.0002	0.0001	0.0034	0.0036
Japan	0.011	0.012	0.007	0.012	0.076	0.008	0.086	0.511	103.14		0.016	12.73	0.038	0.510	0.016	0.012	0.356	0.367
New Zealand	0.703	0.783	0.449	0.733	4.804	0.513	5.464	32.440	6546.41	63.473		807.92	2.409	32.373	0.988	0.753	22.578	23.323
South Korea	0.0009	0.0010	0.0006	0.0009	0.0059	0.0006	0.0068	0.0402	8.10	0.0786	0.0012		0.0030	0.0401	0.0012	0.0009	0.0279	0.0289
Malaysia	0.292	0.325	0.186	0.304	1.995	0.213	2.269	13.469	2718.01	26.354	0.415	335.44		13.441	0.410	0.313	9.374	9.684
Philippines	0.022	0.024	0.014	0.023	0.148	0.016	0.169	1.002	202.22	1.961	0.031	24.96	0.074		0.031	0.023	0.697	0.720
Singapore	0.711	0.792	0.454	0.742	4.860	0.519	5.528	32.818	6622.65	64.213	1.012	817.33	2.437	32.750		0.762	22.841	23.595
Switzerland	0.934	1.039	0.595	0.973	6.378	0.681	7.254	43.069	8691.30	84.270	1.328	1072.63	3.198	42.980	1.312		29.976	30.965
Taiwan	0.031	0.035	0.020	0.032	0.213	0.023	0.242	1.437	289.94	2.811	0.044	35.78	0.107	1.434	0.044	0.033		1.033
Thailand	0.030	0.034	0.019	0.031	0.206	0.022	0.234	1.391	280.68	2.721	0.043	34.64	0.103	1.388	0.042	0.032	0.968	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of February. 16, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	26	**ALL COUNTRY (AC) WORLD***	283.28	-0.05%	-5.4%	36.2%
2.50	27	**World (Developed Markets)**	1,107.42	-0.01	-5.2	32.0
1.80	116	**World Small Cap**	185.22	0.09	-2.6	49.5
2.60	22	**Kokusai (World ex-Japan)**	1,091.89	-0.14	-5.8	34.6
3.00	27	**EAFE**	1,465.23	0.04	-7.3	31.4
2.10	20	**Emerging Markets (EM)**	924.73	-0.32	-6.5	74.6
2.60	22	**AC ASIA PACIFIC EX-JAPAN**	388.31	-0.04	-6.8	70.1
2.10	22	**AC Far East ex-Japan**	421.17	0.07	-6.4	64.2
1.70	-36	**Japan**	552.38	-1.11	-2.8	12.9
2.00	19	**China**	60.04	0.00	-7.4	60.4
0.90	37	**China A (China Domestic)**	3,104.25	0.00	-8.2	61.0
2.70	22	**Hong Kong**	9,750.08	0.00	-4.2	48.0
1.00	20	**India**	656.72	-0.22	-7.1	81.1
1.10	16	**Korea**	452.30	0.00	-5.9	41.3
2.40	19	**Malaysia**	461.26	0.00	-1.8	40.9
3.10	17	**Singapore**	1,536.53	0.00	-5.4	55.9
2.60	232	**Taiwan**	269.24	0.00	-9.0	68.7
3.00	18	**Thailand**	276.61	-1.81	-8.3	54.8
4.00	24	**Australia**	937.34	-0.33	-6.4	28.7
5.40	16	**New Zealand**	81.01	-0.40	-7.1	1.1
1.90	32	**US BROAD MARKET**	1,198.21	0.00	-3.1	33.2
3.40	17	**EUROPE**	84.02	0.40	-4.8	25.6

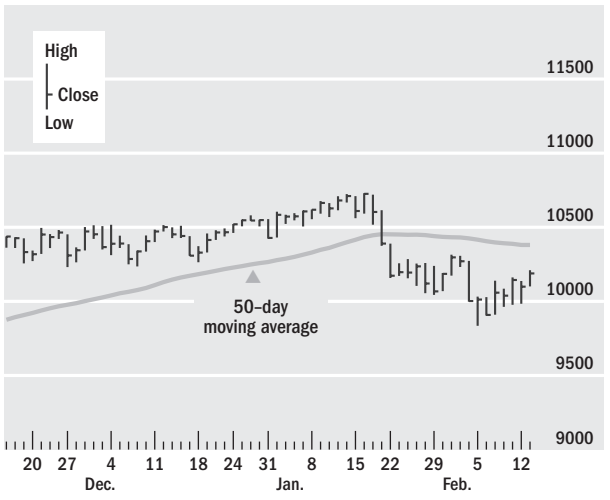
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

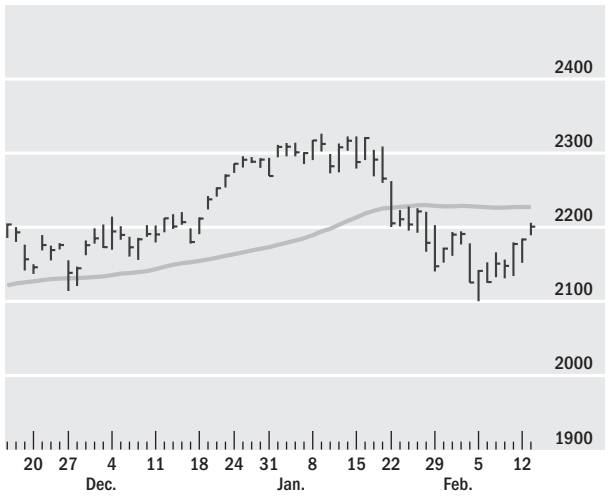
Dow Jones Industrial Average P/E: 16

LAST: **10188.47** ▲ 89.33, or 0.88%
YEAR TO DATE: ▼ **239.58, or 2.3%**
OVER 52 WEEKS ▲ **2,635.87, or 34.9%**



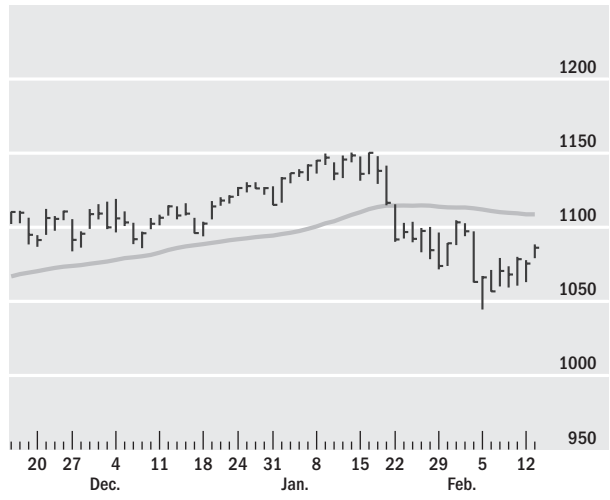
Nasdaq Composite Index P/E: 19*

LAST: **2200.78** ▲ 17.25, or 0.79%
YEAR TO DATE: ▼ **68.37, or 3.0%**
OVER 52 WEEKS ▲ **730.12, or 49.6%**



S&P 500 Index P/E: 26

LAST: **1086.18** ▲ 10.67, or 0.99%
YEAR TO DATE: ▼ **28.92, or 2.6%**
OVER 52 WEEKS ▲ **297.01, or 37.6%**



*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**9.30**	$25.40	0.33	**1.31%**
Alcoa	AA	**18.70**	13.57	0.28	**2.15**
AmExpress	AXP	**3.60**	39.06	0.64	**1.67**
BankAm	BAC	**69.90**	14.92	0.47	**3.25**
Boeing	BA	**1.60**	61.14	1.49	**2.50**
Caterpillar	CAT	**3.40**	57.04	0.84	**1.49**
Chevron	CVX	**5.90**	72.79	1.78	**2.51**
CiscoSys	CSCO	**18.30**	23.91	0.15	**0.64**
CocaCola	KO	**3.60**	54.58	0.60	**1.11**
Disney	DIS	**2.90**	30.46	0.39	**1.30**
DuPont	DD	**3.70**	32.50	0.22	**0.68**
ExxonMobil	XOM	**9.30**	65.53	0.73	**1.13**
GenElec	GE	**23.40**	15.85	0.30	**1.93**
HewlettPk	HPQ	**4.50**	49.22	0.76	**1.57**
HomeDpt	HD	**4.50**	29.34	0.34	**1.17**
Intel	INTC	**24.30**	20.83	0.40	**1.96**
IBM	IBM	**2.00**	124.68	0.68	**0.55**
JPMorgChas	JPM	**21.10**	39.33	0.38	**0.98**
JohnsJohns	JNJ	**3.10**	63.54	0.82	**1.31**
KftFoods	KFT	**17.70**	28.50	-0.59	**-2.03**
McDonalds	MCD	**2.10**	63.89	0.30	**0.47**
Merck	MRK	**8.90**	37.99	1.07	**2.90**
Microsoft	MSFT	**18.10**	28.30	0.50	**1.81**
Pfizer	PFE	**23.20**	17.84	0.04	**0.22**
ProctGamb	PG	**5.70**	62.60	0.84	**1.36**
3M	MMM	**1.30**	80.02	0.84	**1.06**
TravelersCos	TRV	**1.80**	50.94	0.49	**0.97**
UnitedTech	UTX	**2.60**	66.10	0.41	**0.62**
Verizon	VZ	**4.80**	29.17	0.24	**0.83**
WalMart	WMT	**5.80**	53.43	0.53	**1.01**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**98.7**	$3.27	$0.09	**2.67%**
SiriusXM	SIRI	**91.7**	0.93	0.04	**4.47**
SPDR S&P 500	SPY	**71.6**	109.21	1.17	**1.08**
BankAm	BAC	**71.2**	14.89	0.44	**3.04**
TerraInd	TRA	**52.0**	40.67	7.42	**22.32**
PwrShrs QQQ	QQQQ	**45.9**	44.22	0.46	**1.05**
SPDR FnclSelSct	XLF	**36.1**	14.07	0.12	**0.89**
iShrMSCIEmrgMkt	EEM	**31.6**	39.32	0.88	**2.29**
iShrRu2000	IWM	**25.7**	61.63	0.61	**1.00**
QwestComm	Q	**25.6**	4.51	0.08	**1.81**
DrxFinancBear 3x	FAZ	**24.6**	19.87	-0.68	**-3.31**
Intel	INTC	**24.4**	20.83	0.40	**1.95**
GenElec	GE	**23.5**	15.85	0.30	**1.93**
Pfizer	PFE	**23.2**	17.82	0.02	**0.11**
FordMotor	F	**22.2**	11.26	0.14	**1.26**

Biggest gainers...

TerraInd	TRA	**52,026.2**	$40.67	$7.42	**22.32%**
SW GAFnl	SGB	**3.6**	16.49	2.49	**17.79**
GenVec	GNVC	**6,712.6**	2.40	0.35	**16.98**
Medifast	MED	**2,520.5**	21.51	2.47	**12.97**
InterNAP	INAP	**622.2**	5.17	0.57	**12.39**

...Biggest losers

SpartonCp	SPA	**136.5**	$5.60	-$0.74	**-11.67%**
PwrShrMtlDbShr	BOM	**23.2**	17.26	-2.19	**-11.26**
EnerNOC	ENOC	**580.5**	30.07	-3.70	**-10.96**
CrnrstnPrgRtFd	CFP	**785.1**	5.83	-0.71	**-10.86**
InnovSolSuprt	ISSC	**20.2**	4.10	-0.47	**-10.20**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$6.88	**Taiwan Semi**	TSM	**4,992.0**	$9.88	0.17	**1.75%**
4.24	1.65	**Utd Microelectronics**	UMC	**1,819.8**	3.72	0.06	**1.64**
82.74	33.09	**BHP Billiton**	BHP	**1,701.1**	74.23	2.10	**2.91**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**799.1**	4.98	-0.03	**-0.60**
91.97	56.79	**Toyota Motor**	TM	**797.8**	76.33	-0.72	**-0.94**
59.13	22.61	**Infosys Tech**	INFY	**735.9**	55.45	1.42	**2.63**
18.64	12.59	**SK Telecom**	SKM	**596.2**	16.82	0.12	**0.72**
8.19	4.18	**Siliconware Prec Ind**	SPIL	**588.5**	6.48	0.06	**0.93**
15.95	8.65	**China Unicom**	CHU	**534.8**	11.44	0.06	**0.53**
59.22	40.20	**China Mobile**	CHL	**455.1**	49.03	0.44	**0.91**
34.27	10.70	**Aluminum Cp of China**	ACH	**437.2**	24.44	0.75	**3.17**
18.20	6.85	**Korea Elec Pwr**	KEP	**436.6**	17.44	0.03	**0.17**
13.30	6.35	**AU Optrncs**	AUO	**373.2**	11.38	0.14	**1.25**
9.50	3.96	**Nomura Hldgs**	NMR	**356.4**	7.12	0.09	**1.28**
21.78	11.30	**KT Corp**	KT	**277.3**	19.98	-0.37	**-1.82**
21.22	16.33	**ChunghwaTel**	CHT	**239.5**	18.73	0.24	**1.30**
5.23	1.57	**Adv Semi Engrg**	ASX	**236.0**	4.37	-0.04	**-0.91**
16.70	13.11	**NTT DoCoMo**	DCM	**229.7**	15.41	-0.05	**-0.32**
7.74	2.00	**Alumina**	AWC	**192.9**	5.71	-0.03	**-0.56**
37.23	20.72	**Honda Motor**	HMC	**178.1**	33.99	0.36	**1.07**
9.82	5.43	**Telecom Corp of NZ**	NZT	**168.7**	8.23	0.22	**2.75**
35.59	15.64	**Sony**	SNE	**160.0**	34.14	0.08	**0.23**
81.00	38.70	**China Life Ins**	LFC	**157.3**	66.23	0.73	**1.11**
25.65	5.11	**Yanzhou Coal Mining**	YZC	**138.9**	20.79	0.41	**2.01**
150.50	47.09	**POSCO**	PKX	**128.4**	120.14	4.17	**3.60**
135.92	63.94	**PetroChina**	PTR	**125.5**	112.15	2.44	**2.22**
24.09	17.71	**NTT**	NTT	**117.4**	21.96	0.05	**0.23**
17.19	10.60	**Matsushita Elec**	PC	**113.4**	14.41	-0.09	**-0.62**
13.45	2.00	**City Telecom**	CTEL	**82.2**	11.53	0.62	**5.68**
171.59	75.59	**CNOOC**	CEO	**65.3**	157.95	2.80	**1.80**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

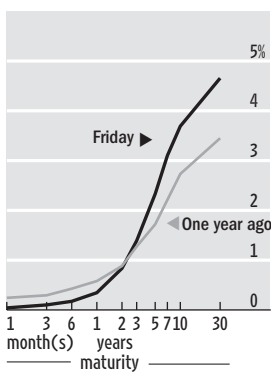
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.580%**	**374.1**	374.4	362.7	**189.2**	**4.575%**	4.508%	**2.860%**
4.500	10	**5.590**	**187.6**	184.5	196.4	**148.8**	**5.540**	5.647	**4.383**
5.000	**Austria** 2	**1.513**	**67.4**	59.3	75.0	**36.1**	**1.424**	1.631	**1.329**
3.900	10	**3.662**	**-5.2**	-2.1	7.0	**132.3**	**3.674**	3.753	**4.218**
2.000	**Belgium** 2	**1.279**	**44.0**	44.2	1.5	**36.4**	**1.273**	0.896	**1.332**
3.750	10	**3.776**	**6.2**	6.2	-3.2	**134.8**	**3.757**	3.651	**4.243**
1.500	**Canada** 2	**1.355**	**51.6**	50.9	39.6	**23.3**	**1.340**	1.277	**1.201**
3.750	10	**3.496**	**-21.8**	-23.3	-18.7	**4.7**	**3.462**	3.496	**2.942**
4.000	**Denmark** 2	**1.779**	**94.0**	98.5	102.8	**132.3**	**1.816**	1.909	**2.291**
4.000	10	**3.541**	**-17.3**	-17.1	-12.5	**57.5**	**3.524**	3.558	**3.470**
3.750	**France** 2	**1.069**	**23.0**	21.5	17.5	**52.1**	**1.046**	1.056	**1.489**
3.500	10	**3.530**	**-18.4**	-17.3	-15.4	**67.0**	**3.522**	3.529	**3.565**
1.250	**Germany** 2	**0.993**	**15.4**	14.7	26.7	**27.2**	**0.978**	1.148	**1.240**
3.250	10	**3.210**	**-50.4**	-49.2	-41.0	**15.6**	**3.203**	3.273	**3.051**
0.640	**Hong Kong** 2	**0.766**	**-7.3**	-6.5	-36.8	**-28.1**	**0.766**	0.513	**0.687**
2.160	10	**3.095**	**-61.9**	-60.0	-80.1	**-112.3**	**3.095**	2.882	**1.772**
5.000	**Italy** 2	**1.567**	**72.8**	71.6	50.4	**120.9**	**1.547**	1.385	**2.177**
4.250	10	**4.066**	**35.2**	35.5	38.9	**168.2**	**4.050**	4.072	**4.577**
0.200	**Japan** 2	**0.165**	**-67.4**	-66.6	-72.6	**-54.7**	**0.165**	0.155	**0.421**
1.300	10	**1.331**	**-238.3**	-236.3	-235.3	**-160.4**	**1.332**	1.330	**1.291**
2.500	**Netherlands** 2	**1.050**	**21.1**	20.7	-16.9	**64.4**	**1.038**	0.712	**1.612**
3.500	10	**3.502**	**-21.2**	-18.9	-21.9	**97.8**	**3.506**	3.464	**3.873**
3.200	**Portugal** 2	**1.601**	**76.2**	64.9	40.7	**80.0**	**1.480**	1.288	**1.768**
4.750	10	**4.456**	**74.2**	74.6	52.0	**168.9**	**4.441**	4.203	**4.584**
5.350	**Spain** 2	**1.504**	**66.5**	57.3	50.4	**110.2**	**1.404**	1.385	**2.070**
4.000	10	**4.022**	**30.8**	33.5	29.9	**141.5**	**4.030**	3.982	**4.310**
2.750	**Switzerland** 2	**0.395**	**-44.4**	-43.3	-19.8	**-69.8**	**0.398**	0.683	**0.270**
2.250	10	**1.933**	**-178.1**	-175.7	-161.2	**-92.5**	**1.938**	2.071	**1.970**
3.250	**U.K.** 2	**1.184**	**34.5**	35.2	32.8	**39.3**	**1.183**	1.209	**1.361**
4.500	10	**4.036**	**32.2**	37.0	25.3	**59.7**	**4.065**	3.936	**3.492**
0.875	**U.S.** 2	**0.839**	**...**	...	...	**...**	**0.831**	0.881	**0.968**
3.625	10	**3.714**	**...**	...	...	**...**	**3.695**	3.683	**2.895**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.656%**	16.10	-2.23%	0.15%	0.15%	-14.92%
10-year Treasury	**3.691**	8.32	-0.48	1.69	1.69	-4.36
7 Year Treasury	**3.100**	6.21	0.03	2.34	2.34	...
Five-year Treasury	**2.330**	4.67	0.19	1.84	1.84	1.53
Ryan Index	**2.667**	6.70	-0.39	1.36	1.36	-1.95
3 Year Treasury	**1.391**	2.93	0.15	1.29	1.29	2.86
Two-year Treasury	**0.835**	1.95	0.03	0.81	0.81	2.15
1 Year Treasury	**0.346**	0.99	-0.02	0.18	0.18	1.22
Six-month Treasury	**0.173**	0.50	...	0.04	0.04	0.64
Ryan Cash Index-a	**0.165**	0.45	...	0.06	0.06	0.59
Three-month bill	**0.101**	0.25	0.01	0.01	0.01	0.37
One-month bill	**0.041**	0.07	...	...	...	0.14

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	3.00
Japan	**1.475**	1.475
Britain	**0.50**	1.00
ECB	**1.00**	2.00
Switzerland	**0.53**	0.52
Australia	**3.75**	3.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.22875%**	0.46625%
Three month	**0.25000**	1.24563
Six month	**0.38813**	1.76563
One year	**0.85563**	2.08500

	Latest	52 wks ago
Euro Libor		
One month	**0.38313%**	1.59125%
Three month	**0.59969**	1.91125
Six month	**0.91250**	1.99938
One year	**1.20063**	2.10563
Hibor		
One month	**0.06964**	0.15071%
Three month	**0.13000**	0.75071
Six month	**0.24000**	1.10000
One year	**0.55000**	1.57929
Asian dollars		
One month	**0.2396%**	0.48%
Three month	**0.2566**	1.2420
Six month	**0.3910**	1.7540
One year	**0.8590**	2.0860

	Offer	Bid
Eurodollars		
One month	**0.3000%**	0.2000%
Three month	**0.3300**	0.2300
Six month	**0.5500**	0.3500
One year	**0.8500**	0.5000

	Latest	52 wks ago
U.S. discount	**0.50%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.21%**	0.33%
U.K. (BBA)	**0.520**	1.550
Euro zone	**0.30**	1.26

Sources: WSJ Market Data Group; Reuters

Foreigners dump T-bills

Overseas purchases of U.S. Treasurys slow; Japan is new No. 1

By Jeff Bater And Darrell A. Hughes

WASHINGTON—Foreigners bought U.S. assets at a brisk pace in December, albeit at a slower rate than the month before, but they dumped a record amount of Treasury bills.

Meanwhile, Japan overtook China as the top holder of Treasury securities, according to the monthly Treasury International Capital report, known as TIC.

Net foreign purchases of long-maturity U.S. securities totaled $50.9 billion in December, the Treasury said. In November, purchases totaled $114.1 billion.

"While the December data is a cause for modest concern that bears watching, we do not think the big global reserve managers are dumping U.S. dollar assets on a sustained basis," wrote Win Thin, senior currency strategist at Brown Brothers Harriman.

While foreigners still bought long-maturity debt, they sold a record $53 billion of low-yielding Treasury bills. Yields on the four-week bill stood at 0.043% Tuesday. The 10-year was yielding 3.708%.

"The unwind of the safe-haven trade in U.S. T-bills continues," ING Bank said.

The report showed Japan's holdings of Treasury securities totaled $769 billion in December, compared with China's $755 billion. China's holdings in November totaled $789.6 billion.

China has expressed concern over U.S. fiscal and monetary policy, which has resulted in low interest rates and rising debt to pull the economy out of recession. China is afraid easy-money policies could accelerate inflation, which would erode the value of its dollar-denominated investments.

"This data is only going to add to second guessing of Chinese behavior and raise concerns that they are not showing much enthusiasm for U.S. dollar paper, at least while they trim down their 'excess' T-bill holdings," wrote Alan Ruskin, an RBS analyst.

The monthly Treasury report highlights cross-border acquisitions of securities with maturities of more than one year, including nonmarket transactions such as stock swaps and principal repayment on asset-backed securities.

The figure excluding transactions that didn't occur on an open market recorded net buying of $63.3 billion in long-term U.S. securities, after purchases of $126.4 billion in November, the report said.

The report's most comprehensive category, monthly net TIC flows, includes nonmarket flows, short-term securities and changes in banks' dollar holdings. This measure of net foreign capital inflow was $60.9 billion in December, versus an inflow of $30.7 billion the previous month.

Financial-market analysts consider the monthly data from the Treasury Department to be a significant, but imprecise, gauge of how easily the U.S. can finance its trade deficit.

The government last week reported it ran a $40.18 billion trade deficit during December, up 10% from $36.39 billion in November. Imports rose faster than exports.

Within the long-term securities category of the TIC report, foreign net purchases of Treasury notes and bonds was $69.9 billion in December, compared with net purchases of $117.9 billion in November.

Private foreign investors bought a net $48.06 billion in Treasury notes and bonds in December, after buying $86.64 billion the previous month.

Official foreign buyers, such as central banks, bought a net $21.98 billion of these Treasurys, compared with net purchases of $31.18 billion the month before.

Net foreign purchases of debt issued by U.S. government-sponsored agencies like **Fannie Mae** and **Freddie Mac** totaled $49 million in December, compared with $5.91 billion in purchases in November.

Net foreign purchases of U.S. equities totaled $20.15 billion in December, compared with purchases of $9.66 billion the previous month.

Foreign investors were net sellers of corporate bonds, unloading a net $7.94 million, versus sales totaling $4.56 billion in November.

Bonuses double CEOs' pay

By William Lyons

Europe's top executives received an average bonus of 100% of their salary in the latest financial year, according to a new survey that warns that some companies may end up paying large bonuses despite reporting a fall in profits.

The findings, from a report on remuneration by Hewitt Associates, show that Europe's chief executives took home an average salary of €1.2 million ($1.6 million) in the 2008 or 2009 financial year, while their bonuses were about the same.

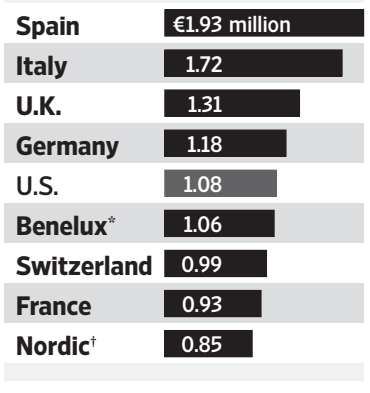
The report, which analyzed data from Europe's largest 100 companies to ascertain the impact of the downturn on pay structures, warns that while executive pay has been moderated, there is likely to be a more controversy over annual bonuses as the next reporting season gets under way.

Many companies will have set performance targets for 2009 based around budgets set during the dire predictions of late 2008, the report said. Given that the recession may be less severe and shorter than some predicted, companies may end up paying maximum bonuses while delivering lower absolute levels of performance than in 2008.

Dan Perrett, principal consultant with Hewitt Associates, said: "The next two weeks are likely to see the bonus issue reignite as more companies report annual drops. Everyone will be watching to see what bonuses will be paid this year in respect of 2009 performance and whether they will fall like everyone thinks they should if one believes we have the pay-for-performance culture."

Who earns what

Median chief-executive base salary by location



The news comes just a week after a survey by recruitment Web site eFinancialCareers.com revealed that average bonuses for U.K. bankers rose 40% last year and most industry professionals still received the bulk of their compensation in cash.

According to the report, actual bonuses earned by all top executives in 2008 or 2009 were around 100% of salary, with 58 companies disclosing a cap on individual bonuses in their annual bonus plans. Nearly one-third of companies have an element of deferral in their annual bonus arrangements, while only four companies disclosed have a "claw-back" provision in their bonus plans.

Mr. Perrett said that, despite the headline figures, the report showed the economic slowdown was having an impact on bonus payments. "Executive remuneration has been thrown into the spotlight during the last 18 months, and our data shows that major European companies have responded by moderating levels of reward available," he said.

Hewitt's 2010 report also shows that executive pay has become more country-specific, as governments have responded on an individual basis both to the recession and to the remuneration debate.

The reports suggests that remuneration policy in the Eurotop 100, an index designed to represent the performance of the 100 most highly capitalized blue-chip companies in Europe, now tends to be more influenced by geographical location. Base salary levels are lower in Nordic countries and in France, but highest in Spain; bonuses represent a higher proportion of total compensation in Germany and Spain; and the U.K. and Switzerland typically have higher levels of variable pay and lower fixed pay compared with other countries.

"The recession prompted governments, regulators and investor bodies across Europe to strengthen their guidance on executive remuneration and, as a result, we have started to see geographic differences emerging in the reward policies of the Eurotop 100," Mr. Perrett said. "While some European governments have reinforced their existing frameworks, others, such as France and Germany, have gone one step further by implementing stricter new legislation and monitoring systems which will push companies to be more transparent and have a greater weighting on long-term pay."

The survey also reveals that the "pay for performance" model, which consists of both fixed and variable pay, remains popular.

Tetragon takes fat fees from some slim pickings

[THE GAME]

By Dennis K. Berman

It might be one of the greatest financial performances of 2010—a fortune created even after losing staggering sums for investors.

Meet the managers of **Tetragon Financial Group**. They are five Wall Street veterans who, by luck and design, enjoy what Tetragon investor Charles W. Griege Jr. critiqued as "the most flawed compensation system" he had ever seen.

Tetragon is awarding its managers tens, and potentially hundreds, of millions of dollars. This comes despite massive losses in the fund, an offshoot of London-based hedge fund **Polygon Investment Partners** LLP, which decorated its Park Avenue offices with embossed wallpaper featuring its name.

Such boom-era flourishes were common when Tetragon was launched at the market top in spring 2007. Publicly listed in Amsterdam, the closed-end fund quickly amassed a $1.5 billion portfolio, largely in bank loans made for the era's large leveraged buyouts.

The timing was bad. The portfolio fell by about two-thirds in value during the dark days of 2009. Its shares suffered, and as of Monday's close were off 61% from their listing price.

But now the value of Tetragon's corporate-debt holdings are on the rise again.

And Tetragon is pocketing one-quarter of the "gains" it registers each quarter, though it is really just earning back the $767 million in losses recognized over the past year, according to securities filings.

Tetragon remains ensconced in the boom time. Under the fund's original offering document, the high-water mark is reset every 180 days. And the hurdle rate, originally envisioned at 8%, is based on today's historically low interest rates, which means it has fallen to about 3%.

A person close to Tetragon said that the fund "weathered an unprecedented time very well," and that its recent share performance—up about 125% over the past year—"is a testament to what they've managed to do."

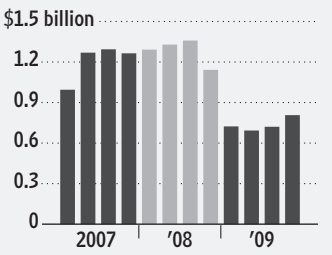
Most fund investors are wary of paying fees for earning back losses.

That is why they demand "high-water marks," which force managers to post new earnings before the incentive fees kick in.

They also have what is known as a "hurdle rate," a baseline quarterly return that the manager must meet before paying those fees.

Riding the wave

Tetragon investors are paying 25% 'incentive' fees even after huge losses. The fund's quarterly net asset value:



Source: the company

But like Polygon's embossed wallpaper, Tetragon remains ensconced in the boom time.

Under the fund's original offering document, the high-water mark is reset every 180 days. And the hurdle rate, originally envisioned at 8%, is based on today's historically low interest rates, which means it has fallen to about 3%.

What is more, the fund bases its valuations on a "mark-to-model" calculated on its own. That gives it more discretion than funds that value their assets based on public market prices.

It all translates to some big paydays. Tetragon wrote up the value of its holdings by $87.8 million in the fourth quarter.

After meeting that meager hurdle rate, its managers are entitled to a 25% incentive fee. That was worth about $22 million last quarter.

The person close to Tetragon said the fee structure was disclosed from the beginning "and that's what everyone bought into. If anyone buys in at a later date and didn't read the paperwork, they're crying wolf."

Even bigger payouts are likely to come in 2010, based on calculations of two Dallas-based money managers.

Mr. Griege of Blue Lion Capital and Scott Johnson of Stream Capital Management estimate the Tetragon portfolio will be written up by about 44% during 2010. That would spit out another $76 million in fees, bringing the total to roughly $100 million and counting.

Contrast that to the approach of similar public funds, including **KKR Financial Holdings** LLC, which deferred fees during 2009 and added new capital. Some of the world's biggest private hedge funds, such as Pershing Square Capital Management, have actually raised high-water marks and relaxed fees to soothe investors.

Mr. Johnson noted that Tetragon didn't make any new investments during 2008 or 2009, a period now shown to have been one of the greatest bull markets for corporate debt.

"Shareholders are writing a check for doing nothing," he said in an interview. "There is no downside risk, only upside. This is exactly the incentive structure that got Wall Street in so many problems."

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Tuesday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**.
Also, receive emails that summarize the day's trading in Europe and Asia.
To sign up, go to **WSJ.com/Email**

Asian index movers...

Nikkei Stock Average
Japan 10034.25
▲ **0.21% or 20.95**

Resource shares marched up in tandem with crude-oil and gold prices. Japan Petroleum Exploration climbed 2%, while commodities trading house Marubeni rose 1.6%.

Stock	Volume in millions	Close	Change Net	Change %
Mtshbsh Fin Grp	**67.48**	444	–1	–0.22
Hitachi	**54.01**	295	–6	–1.99
Toshiba	**46.03**	427	2	0.47
Mizuho Financial	**38.79**	171	1	0.59
Kawasaki Kisen K	**19.77**	309	4	1.31

Sensex
India 16226.68
▲ **1.17% or 188.33**

Financials, metals and Reliance Industries lifted the market. Bharti Airtel neared a 16-month low on concerns it may overpay for assets of Kuwait's Mobile Telecom, or Zain.

Stock	Volume in millions	Close	Change Net	Change %
Bharti Airtel-A	**8.21**	272.45	–12.95	–4.54
Jaiprak Asso-A	**2.26**	135.85	3.30	2.49
Hindalco-A	**1.90**	145.25	4.50	3.20
Tata Steel-A	**1.69**	549.85	12.00	2.23
Dlf-A	**1.53**	309.80	6.30	2.08

ASX 200
Australia 4567.80
▲ **0.49% or 22.30**

Banks advanced after an upbeat quarterly trading update from Westpac, up 6.2%. Australia & New Zealand Banking Group rose 2.9%; National Australia Bank climbed 3%.

Stock	Volume in millions	Close	Change Net	Change %
Telstra	**94.67**	3.10	–0.04	–1.27
Boart Longyear	**49.02**	0.36	0.01	2.90
BlueScope Steel	**39.89**	2.41	–0.07	–2.82
Lihir Gold	**33.55**	2.80	–0.03	–1.06
Foster's Group	**29.56**	5.44	–0.12	–2.16

Kospi
South Korea 1601.05
▲ **0.46% or 7.39**

Hyundai Steel rose 3.1% on expectations of higher steel prices; Hyundai Motor added 0.9% on expectations of increased U.S. market share amid Toyota Motor's woes.

Stock	Volume in millions	Close	Change Net	Change %
Optimus	**14.94**	130	–20	–13.33
Kwangmyung El	**13.90**	3,035	185	6.49
Korea Data Sys	**13.75**	305	–5	–1.61
Dongyang Steel	**13.71**	1,325	60	4.74
Woongjin Chem	**13.53**	890	–30	–3.26

Asian stocks in the news

Caltex Australia
Australia A$9.80
▲ **3.5% or A$0.33**

The shares continued to rise on Monday's upgrade to buy from sell by Deutsche Bank.

Price-to-earnings ratio	**63**
Earnings per share, past four quarters	**0.16**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Oil & Gas	**1.0%**	3.2%	50.4%
Caltex Australia	**3.5%**	9.4%	-6.2%

OneSteel
Australia A$3.40
▲ **5.6% or A$0.18**

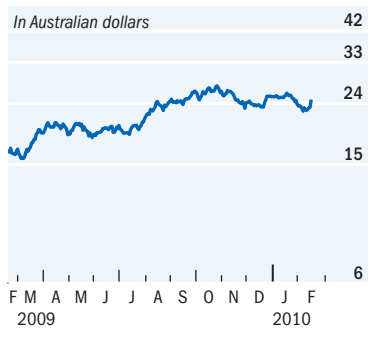
Its its first half profit of US$104 million beat expectations,

Price-to-earnings ratio	**62**
Earnings per share, past four quarters	**0.05**
Dividend yield	**1.5**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Basic Resources	**1.0%**	3.9%	70.3%
OneSteel	**5.6%**	9.7%	65.9%

Westpac Bking
Australia A$24.74
▲ **6.2% or A$1.44**

Its quarterly trading update showing a 33% jump in first-quarter cash earnings.

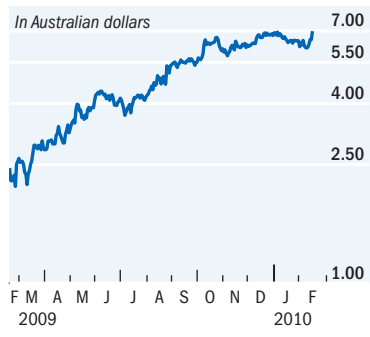


Price-to-earnings ratio	**20**
Earnings per share, past four quarters	**1.25**
Dividend yield	**2.4**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**1.2%**	1.6%	44.1%
Westpac Bking	**6.2%**	8.1%	47.4%

SEEK
Australia A$6.99
▲ **6.7% or A$0.44**

Its first half net profit rose nearly 13% and it predicted an even stronger second-half result.



Price-to-earnings ratio	**38**
Earnings per share, past four quarters	**0.18**
Dividend yield	**0.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**0.3%**	1.5%	59.0%
SEEK	**6.7%**	13.8%	187.7%

Jupiter Telecom
Japan ¥105,000
▲ **16.7% or ¥15,000**

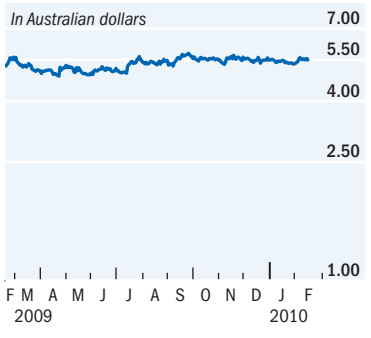
Sumitomo launched a $1.35 billion tender offer to raise its stake to 40% from 27%.

Price-to-earnings ratio	**22**
Earnings per share, past four quarters	**4682.90**
Dividend yield	**1.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Media	**1.5%**	3.0%	48.0%
Jupiter Telecom	**16.7%**	15.8%	41.9%

Foster's Grp
Australia A$5.44
▼ **2.2% or A$0.12**

Profit missed expectation, as wine sales fell in every region.



Price-to-earnings ratio	**27**
Earnings per share, past four quarters	**0.20**
Dividend yield	**2.2**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Food & Beverage	**...**	0.6%	47.2%
Foster's Grp	**-2.2%**	-1.3%	4.6%

Brambles
Australia A$6.65
▼ **2.5% or A$0.17**

The stock fell for a second day in a row after jumping Friday.

Price-to-earnings ratio	**17**
Earnings per share, past four quarters	**0.40**
Dividend yield	**1.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**0.3%**	1.5%	59.0%
Brambles	**-2.5%**	...	37.4%

BlueScope Steel
Australia A$2.41
▼ **2.8% or A$0.07**

The CEO's prediction Monday of higher negotiated prices lifted the shares.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-0.61**
Dividend yield	**none**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Basic Resources	**1.0%**	3.9%	70.3%
BlueScope Steel	**-2.8%**	-6.9%	-8.9%

Acom
Japan ¥1,256
▼ **8.2% or ¥112**

The commercial lender was downgraded to "sell" by Citigroup.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-72.00**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Financial Services	**0.2%**	1.2%	66.2%
Acom	**-8.2%**	-15.7%	-53.0%

Primary Hlth Care
Australia A$4.89
▼ **11.9% or A$0.66**

First half net profit was below analyst expectations, amid cuts to government funding.

Price-to-earnings ratio	**17**
Earnings per share, past four quarters	**0.29**
Dividend yield	**3.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Health Care	**0.3%**	0.1%	17.5%
Primary Hlth Care	**-11.9%**	-11.4%	-4.5%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Drug-induced speculation in India

Investors in India's generic-drug industry are hoping to profit from big buyouts. With the long-term outlook for the industry worsening, this could be a false diagnosis.

The industry boasts more U.S. Food and Drug Administration-approved facilities outside the U.S. than any other country, low production costs, and direct access to India's fast-growing generics market. This is fueling speculation that foreign pharmaceutical giants will soon come calling.

The idea tantalizes investors who remember previous deals. The purchases of meaty stakes in **Ranbaxy Laboratories** and **Matrix Laboratories** were priced at 35 times and 23.6 times expected earnings, respectively, Dealogic says. Currently, independent companies like **Dr. Reddy's Laboratories** and **Biocon** trade at 16 and 17 times expected earnings.

But the future for India's generic drug makers is more likely to be characterized by intensifying competition and dwindling margins than high-priced buyouts.

Business is most profitable for these companies when drugs are coming off patent protection. Those first to develop the generic alternative gain a short window during which they can sell their version without competition.

The future holds fewer of these opportunities. Of the 199 drugs coming off patent in the next eight years, Datamonitor says, half will lose their protection before 2013. For blockbuster drugs like Lipitor and Plavix, the patent expiration schedule is even more front-loaded.

It means the companies need to find new avenues for growth, either winning a battle to become the lowest-cost producer of a commoditized product, or seeking specialization and new markets. Already this has led to some missteps. In the past year, Dr. Reddy's has written down $490 million of its investment in Germany's Betapharm Arzneimittel after Germany changed its generic drug laws.

Others are inking deals of a different kind with foreign companies. Both **Aurobindo Pharma** and **Strides Arcolab** let **Pfizer** sell their generic drugs outside of India, for example.

Certainly, the underpenetrated Indian market offers potential for sales growth. But foreign companies have plenty of reason to hold off of pricey acquisitions in India for now.

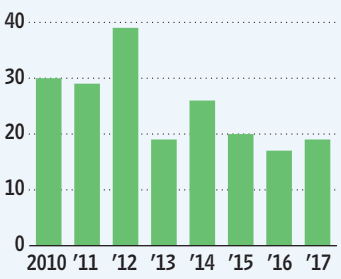
The jackpot deals investors are looking for may be a thing of the past.

—Harsh Joshi

Patent expirations loom

A wave of drug patents are nearing their expiration date in the next three years.

Number of drug patents expiring



Expiration timing for five largest products in terms of sales in 2008

Product name and company	Patent expiration	Sales in 2008, in billions
Lipitor, Pfizer	March 2010, June 2011	$12.4
Nexium, AstraZeneca	November 2014	5.2
Zyprexa, Eli Lilly	November 2011	4.7
Seroquel, AstraZeneca	March 2012	4.5
Singulair, Merck & Co.	August 2012	4.3

Source: Datamonitor

Greece shows why derivatives reforms are needed

How many more crises will it take? The Greek emergency is a reminder of how little has been done to fix large, potentially unstable parts of the financial system. One motive for the European Union to intervene was to avoid banks taking losses on loans made in countries like Greece, Spain and Portugal. But banks also may have been exposed through derivatives contracts with the governments of fiscally weak European states.

The banking lobby is resisting efforts to overhaul the $605 trillion market for derivatives that don't trade on exchanges.

The Club Med meltdown may persuade them to act. For years, Greece wrote large derivatives contracts with banks. These derivatives likely have a feature that now makes them particularly worrying for banks: lax "margin" requirements.

If a bank does a derivatives trade with another private-sector entity, the agreement will stipulate when the counterparty must make payments to collateralize the trade. These margin payments, usually in cash, typically occur at the outset of the trade, and if the trade subsequently moves against the counterparty. A downgrade in a counterparty's credit rating also can trigger a payment.

However, governments often do trades with no, or much looser, collateral requirements. And often they aren't subject to ratings triggers, according to people in the industry.

Two things need to happen. First, all swaps pricing and volume need to be made public.

Second, nearly all over-the-counter derivatives should be centrally cleared. This would lead to proper margin payments from all parties and shrink potentially dangerous pockets of undercollateralization.

However, financial-overhaul bills in the U.S. aim to carve out margin exemptions for entities using derivatives to hedge core activities. If too many were allowed into that group, a lesson of the Greek crisis would have been missed: A counterparty that looks a sure bet today may be a horrible one tomorrow.

—Peter Eavis

Dubai drives hard bargain with creditors

For **Dubai World**'s creditors, indignity piles upon indignity. News that the troubled state-controlled conglomerate plans to repay its lenders a meager 60 cents for every U.S. dollar they are owed is yet another blow for lenders who, until four months ago, assumed Dubai World's debts came with an implicit sovereign guarantee.

Dubai World is seeking to reschedule $22 billion of debt. But while the banks may be furious, they have such a weak negotiating hand that they may have to settle for little more than what is on the table.

True, the offer doesn't look too bad at first glance. But the banks will receive payment only after seven years and will get no interim coupon, a much bigger "haircut" than they had expected.

An alternative offer, that creditors receive payment in full after seven years but receive no government guarantee and accept 40% in the form of assets in Dubai World's most troubled business unit, Nakheel, is no alternative at all, given the near impossibility of valuing Nakheel's island developments.

Meanwhile, appeals to Dubai not to jeopardize its long-term reputation with investors likely are to fall on deaf ears. Abu Dhabi, which already has pumped $20 billion indirectly into Dubai, is calling the shots now. And now that Dubai has the support of the world's fifth-largest holder of oil reserves and the Middle East's largest sovereign-wealth fund, it may be less concerned over its standing with international banks than maintaining the support of its neighbor.

The banks may be seething, but this is one indignity they may choose to suffer in silence.

—Andrew Critchlow

Trade Up.

Dow Jones delivers institutional sales and trading professionals the information they need to trade more efficiently, productively and profitably.

Successful trading strategies depend upon access to the right information at the right time. Dow Jones consistently delivers breaking news from The Wall Street Journal first to Dow Jones Newswires, informing our own customers before anybody else.

By providing innovative, ultra-low-latency technology solutions and the world's most relied upon business news, Dow Jones enables institutional sales and trading professionals to make more rapid and targeted trading decisions.

It's time to trade up to the market-moving news that matters most, at the speed you need. To learn more about Dow Jones Solutions for Sales & Trading, call +61.2.8272.4600 or email us at **moreinfo.asiapacific@dowjones.com.**

DOWJONES

© Copyright 2009 Dow Jones & Co., Inc. All rights reserved. 2WIAS2414

Delivering a deal of heroic proportions.

At the heart of any successful deal is a strong relationship. Our long-standing partnership with Marvel is no exception. So, when Disney wanted to enhance its platform with Marvel's 5,000 character library, we knew exactly what to do. Working closely with Marvel as their exclusive financial advisor, we provided the support they needed to seal the deal. Great combinations, growing together. It's something we know all about. Because, in today's markets, even heroes need heroes.

Bank of America
Merrill Lynch

™ & ©2010 Marvel Entertainment, LLC and its subsidiaries. All rights reserved.
The Bank of America Merrill Lynch logo and Flagmark are trademarks of Bank of America Corporation. ©2010 Bank of America Corporation

"Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which are both registered broker-dealers and members of FINRA and SIPC, and, in other jurisdictions, locally registered entities. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed.

Published by Dow Jones Publishing Company (Asia). Printed in Hong Kong by SuperRag Advertising and Communication Limited. 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1 Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo. 7, Soonwha-Dong, Chung-Ku, Seoul 100-130. 1997 June 04 Registration no: SeoulKA00020 (Daily Newspaper). Publisher/Editor/Printer: Song Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No. 295060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Mel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3817 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (K.M. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd., 51/B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida -201301 and PLOT No.EL208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-11-6462 0215. ACP no. F2 (T/3) Press / 2009 FACSIMILE EDITION.